

SHANGHAI MUNICIPAL COUNCIL.

REPORT

FOR THE YEAR 1917

AND

BUDGET

FOR THE YEAR 1918.

SHANGHAI
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1918.

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MUNICIPAL REPORT.

The Council herein submits to the Ratepayers the Annual Report on Public Matters, together with the Financial Statement for the year ending December 31, 1917, and Estimates of Revenue and Expenditure for 1918. The membership of the preceding Council remained unchanged until the Ratepayers' Meeting in March.

At the Election held on January 29 and 30, the gentlemen hereunder mentioned were declared to have been elected and at their first meeting on March 22, upon the proposal of Mr. White-Cooper, seconded by Count Jezierski, Mr. Pearce was re-elected Chairman : Mr. White-Cooper was re-elected to the Vice Chair. The Council resolved itself into Standing Committees as follows :—

Finance Committee.—Count L. JEZIERSKI, Baron Y. FUJIMURA and Mr. E. C. PEARCE.

Works Committee.— Messrs. E. I. EZRA, W. L. MERRIMAN and E. C. RICHARDS.

Watch Committee.— Messrs. A. S. P. WHITE-COOPER, J. JOHNSTONE and ED. WHITE.

It was decided to request the members of the Sub-Committees to continue their services for another year, and the Council's representatives thereon were arranged as follows :—

<i>Band Committee.</i> —	Mr. WHITE.
<i>Chinese Educational Committee.</i> —	Mr. EZRA.
<i>Foreign Educational Committee.</i> —	Mr. PEARCE.
<i>Permanent Education Committee.</i> —	Mr. PEARCE.
<i>Public Recreation Ground Committee.</i> —	Mr. MERRIMAN.

The Council has met weekly on Wednesdays and the meetings of the Standing Committees have been as follows :—

Watch Committee	12
Works Committee	14
Finance Committee	10

The Council went into recess from July 11 to August 22.

WATCH MATTERS.

REPORT OF OFFICER COMMANDING VOLUNTEER CORPS.

The strength of the Corps has been fairly well maintained throughout the year, notwithstanding the continual drain of men for the Great War.

It is still to be noticed with regret that there are many men of military age in Shanghai who have failed to realise their duty to this, the place of their adoption, and also the duty which devolves upon all men, to qualify in military training so as to be ready for defence purposes when required.

The strength of the Corps and its efficiency according to the last return are shown in tabulated form hereafter.

Strength—The strength of the Corps on 31 December was :—

Unit.	Officers.	Other Ranks.	Total.
Staff	5	1	6
Medical Staff	7	—	7
Light Horse	3	30	33
Artillery	3	31	34
Machine Gun Company	3	47	50
Maritime Company	1	29	30
The Engineers	3	50	53
"A" Company British	3	99	102
"B" Company British	2	71	73
Customs Company	1	76	77
American Company	5	99	104
Portuguese Company	3	66	69
Japanese Company	4	92	96
Chinese Company	3	112	115
Scottish Company	3	78	81
Italian Company	1	36	37
Total Actives	50	917	967
First Reserves	5	78	83
Light Horse Reserves	1	8	9
Portuguese Reserves	—	3	3
Maritime Reserves	—	16	16
Chinese Reserves	—	29	29
Second Reserves	—	32	32
Total	56	1,083	1,139

The following table shows the number joining and leaving the Corps with the strength at the end of each month :—

Month.	Joined.	Left.	Strength.
January	38	26	1,261
February	47	25	1,283
March	68	164	1,187
April	37	80	1,144
May	12	26	1,130
June	9	24	1,115
July	18	32	1,101
August	16	57	1,060
September	16	22	1,054
October	109	29	1,134
November	18	24	1,128
December	32	21	1,139

The average strength for 12 months was 1,145 as against 1,247 for 1916.

The following are the reasons for members leaving their units during the year.

Left Shanghai	257
After 3 or more years' service	3
Pressure of business	35
Ill health or deaths	15
Resignation of the German Company	121
Disbandment of the Austro-Hungarian Company	27
Miscellaneous	66

ANNUAL EFFICIENCY RETURN.

The following Annual Efficiency Return is for the year ended 30 April.

Unit	Strength	First Class Efficients	Second Class Efficients	Non Efficient	Recruits	Percentage of First Class Efficients less Recruits	Order of Merit
Staff	6	6	—	—	—	—	—
Medical Staff and Q. M. Staff	8	8	—	—	—	—	—
Light Horse	36	27	8	1	—	75.00	8
Artillery	33	27	—	—	6	100.00	1
The Engineers	53	25	13	8	7	54.34	14
Machine Gun Company	52	31	5	8	5	72.34	9
Maritime Company	27	19	2	—	6	90.47	3
"A" Company British	107	86	7	1	13	91.49	2
"B" Company British	66	50	3	5	8	86.20	5
Customs Company	74	42	17	5	10	65.62	11
American Company	100	48	33	4	15	56.47	13
Portuguese Company	77	58	3	5	11	87.87	4
Japanese Company	92	50	4	16	22	70.14	10
Chinese Company	83	70	11	2	—	84.33	6
Austro-Hungarian Company	27	14	8	—	5	68.63	12
Shanghai Scottish	87	68	4	10	5	82.92	7
Italian Company Buglers	928	632	118	65	112	77.54	
	33	Not classified					
	12	"	"				
	973						

This forms Annual Test I for the General Efficiency Shield for which points were allotted to units as under :—

1 Artillery	10 Points.
2 "A" Company British	7 "
3 Maritime Company	5 "

ANNUAL MUSKETRY RETURN.

The following Annual Musketry Return is for the year ended 30 April.

Unit	Classification				Recruits	Not Exercised	Average Part II	Order of Merit
	M	1	2	3				
Light Horse	—	8	10	11	—	5	69.90	12
Artillery	—	5	13	7	6	—	74.12	10
Machine Gun Company	2	18	17	4	5	3	89.90	2
Maritime Company	—	4	7	7	6	2	66.66	13
The Engineers	1	8	24	9	7	1	77.37	7
"A" Company British	5	19	43	23	12	2	76.90	8
"B" Company British	2	7	36	8	8	2	76.45	9
Customs Company	1	7	22	28	10	4	63.81	14
American Company	5	17	39	9	15	11	85.81	5
Portuguese Company	4	14	34	6	11	5	82.44	6
Japanese Company	8	10	31	4	22	14	90.54	1
Chinese Company	5	5	48	19	—	3	70.66	11
Austro-Hungarian Company	3	2	15	1	5	—	87.33	3
Shanghai Scottish	3	23	35	8	5	10	86.02	4
Italian Company	Not Classified.							
	39	147	374	144	112	62	78.42	

These totals do not include Officers.

Average of the Corps Part II 78.42.

This forms Annual Test III for the General Efficiency Shield for which points were allotted to units as under :—

1 Japanese Company	10 Points.
2 Machine Gun Company	7 "
3 Austro-Hungarian Company	5 "

Staff.—There have been no changes in the personnel of the Staff during the year.

Corps Sergeant-Major S. Wise has received his regimental promotion to Col. Sergeant in the King's Own Scottish Borderers, to date from 9 May, 1916.

Medical Staff.—Major G. Hanwell resigned his commission upon his retirement from Shanghai on 7 June and in him the Corps lost a P. M. O. who had given valuable service for nearly 13 years.

Captain R. J. Marshall, next in seniority, was appointed P. M. O. with the rank of Major.

Headquarters.—On 17 February the Corps Headquarters were transferred from 15 Canton Road to the Town Hall, where suitable accommodation is provided until the final move is made into the permanent home of the Corps which forms part of the New Municipal Buildings.

Machine Gun Company.—This unit was permitted by the Council to change its designation from "Maxim Company" to "Machine Gun Company" from 10 May.

The Clyno Motor Cycle with Machine gun attachment which was generously placed at the disposal of the Corps by its owner, Mr. E. W. Hubbard, while he was a member of the Machine Gun Company, was bought by the Council when its owner left Shanghai and on 31 May was taken over as part of the Machine Gun equipment.

German Company.—Following upon the breach of diplomatic relations between China and Germany, this Company resigned in a body on 23 March.

Austro-Hungarian Company.—Following upon China's declaration of war on Austria-Hungary, this company was disbanded on 15 August by order of the Council.

Authorised strength increased.—The Council sanctioned an increase in the authorised strength of the Chinese and American Companies to 128 Officers, N. C. Officers and Men, to date from 31 May and 19 July respectively.

Annual Inspection.—On 28 April the Corps paraded for inspection by the Chairman and Members of Council. There were 856 of all ranks on parade, and in view of the fact that very little time is devoted to ceremonial drill, the Chairman expressed himself in complimentary terms on the steadiness with which all movements were performed, as indicating a close touch between Officers and men, which is essential for all military work.

The Engineers.—The technical field work carried out by the Engineers included :—

I. The construction of a bullet proof barricade at night across Kiangse Road utilizing sandbags, bricks, shop shutters and road material.

II.—The construction of a high barbed wire entanglement.

III.—The construction of a floating bridge to carry infantry in file with barrel piers, span 108 feet.

Shooting Trophies.—"The Barnes Cup," the conditions for which combine a march with shooting, was won by the Light Horse with the Artillery a close second.

The "Municipal Challenge Cup" was won by Pte. C. Luthy of the First Reserves.

"Inter-Company Challenge Shield." The conditions for this competition embodied "Observation," and provided a good test for the Officers in command of teams and the men. The trophy was won by "A" Company, British.

Ammunition Supply.—In consequence of the curtailed supply of Ammunition, the Corps Rifle Meeting was not held, and the handsome trophies generously presented by Brigadier-General R. N. Bray, D.S.O., and the Overseas Club, were not competed for.

Mobilisation.—The Mobilisation Manual was revised and received the approval of the Council on 12 January. The revision provides for a rapid distribution of the Corps to all strategic points, embracing a larger area of the Settlement than previously, and also provides an adequate reserve.

It may be opportune to point out in this connexion that the strength of the units must be maintained for mobilisation purposes. It is not sufficient for men to say that if there is any trouble they will join the Corps. Past experience shows that on every occasion disturbances have broken out suddenly and to be prepared for these we must have trained men who know their mobilisation duties. Each unit is allotted a certain duty according to its average strength, and if any unit falls below that strength it entails more strenuous work on its members, and possible reinforcement by other units.

Camps.—A Corps camp was not formed this year because of the difficulty experienced in finding a suitable site with sufficient housing accommodation.

The Light Horse went into camp in the Rifle Range Huts from 5 to 9 April, and did some useful training including their Musketry Course, and on Easter Sunday the usual Gymkhana was held.

The Artillery also formed a Camp in the Gordon Road Riding School during the same period. It is essential for the Battery to take advantage of the opportunity Easter offers, as there is much ground to cover in the training, and short drills and parades are of limited value.

The Portuguese Company formed a camp under canvas at the Rifle Range from 20 to 23 April. About 85% of the unit attended, and the report of the O. C. showed that a useful routine of duties was satisfactorily carried out.

I cannot pass this subject without again emphasising the value of camp instruction for Volunteers, and large camps are better than small, because of the inter unit instruction to be obtained from example and competition, and the more extended spirit of *esprit de corps* which is created. To repeat my suggestion of last year, the best form of camp would be one on service lines and attendance made compulsory for efficiency. The most suitable time of the year is Easter, because the holidays are general, the Rifle Range provides a possible site, but there is not adequate housing accommodation.

Musketry Instruction.—Monthly Classes for instruction in musketry were formed under Sergeant-Major S. Wise in October, and are attended by Officers and N.C. Officers. The course is based on the Hythe methods and a high standard has been attained by some who have passed the qualification examinations.

Again I wish to express my warmest appreciation of the valuable assistance I have received from the Staff Officers of the Corps, and for the excellent work performed by the Orderly Room Staff, Sergeant-Major

S. Wise and Quartermaster-Sergeant W. T. Rose. Also by the Officers commanding units and their subaltern Officers who with the Non-Commissioned Officers, have unstintingly devoted time and ability to the training of their units.

The Seniority Roll of the Officers of the Corps :—

Major	T. E. Trueman, Commandant	14 November 1906	Lieut.	A. H. Swan	4 February 1915
"	H. W. Pilcher	10 April 1912	"	J. T. W. Brooke	18 February 1915
"	G. R. Wingrove (Reserve)	6 October 1915	"	E. Carniero	22 July 1915
"	R. J. Marshall	7 June 1917	"	N. Oki	12 August 1915
Captain	S. A. Ransom	21 March 1906	"	G. L. Campbell	10 December 1915
"	W. J. N. Dyer	31 May 1908	"	M. Commenciui	16 December 1915
"	H. C. Patrick	10 February 1909	"	W. J. Monk	3 March 1916
"	L. E. Canning	1 December 1909	"	E. B. Heaton-Smith	10 March 1916
"	C. H. Godfrey	29 June 1910	"	J. S. Chisholm	17 March 1916
"	G. Grayrigge	15 February 1911	"	S. B. Neill	2 June 1916
"	R. H. Gaskin	2 November 1911	"	T. A. Zee	16 September 1916
"	R. W. Davis	4 June 1913	"	G. A. Johnson	27 October 1916
"	P. Crighton	30 October 1913	"	A. J. Stewart	16 February 1916
"	W. B. Billinghamurst	21 January 1914	"	R. C. Young	21 June 1916
"	N. C. Davis	21 January 1914	"	St. G. R. Clark	21 June 1916
"	A. M. Diniz	25 March 1914	"	N. H. Bolton	21 November 1917
"	J. D. Gordon	20 May 1914	2nd Lieut.	W. H. Rodgers	4 April 1917
"	C. H. Rutherford	10 December 1914	"	H. M. Spence	25 August 1917
"	J. Elliot Murray	30 December 1914	"	R. K. Hykes	4 April 1917
"	L. J. Cubitt	13 October 1915	"	D. Inowka	4 April 1917
"	A. W. Dixon	12 January 1916	"	G. F. Ashley	25 August 1917
"	C. D. Pearson	24 May 1916	"	G. Y. Woo	25 August 1917
"	G. M. Billings	24 May 1916	"	V. Olsen	25 August 1917
"	T. Yamauchi	13 December 1916	"	F. J. W. Melville	11 October 1917
"	H. D. Hilliard	13 December 1916	"	S. Tanaka	11 October 1917
Lieut.	D. M. Gutterres	18 January 1914	"	R. A. Stuart	11 October 1917
"	F. M. Nield	28 October 1914	"	L. M. ff Beytagh	11 October 1917
"	H. S. Lindsay	30 December 1914			

Commissions.—The following have been promoted.

Captain	R. J. Marshall	Medical Staff to Major	7 June 1917.
2nd Lieut.	R. C. Young	The Engineers to Lieutenant	21 June 1917.
"	St. G. R. Clark	"A" Company British to Lieutenant	21 June 1917.
"	V. H. Lanning	"B" Company British to Lieutenant	8 March 1917.
"	J. H. Cubbon	Customs Company to Lieutenant	21 June 1917.
"	H. B. Sanford	American Company to Lieutenant	29 March 1917.

The following commissions have been renewed for a further period of three years.

Captain	W. B. Billinghamurst	Medical Staff	20 January 1917.
"	N. C. Davis	Medical Staff	20 January 1917.
Lieut.	D. M. Gutterres	Portuguese Company	17 January 1917.
Captain	A. M. Diniz	Portuguese Company	24 March 1917.
"	G. Grayrigge	Chinese Company	14 February 1917.
"	J. D. Gordon	Reserve of Officers	15 May 1917.

Commissions have been issued to the following :—

H. W. Rodgers	2nd Lieut. Machine Gun Company	4 April 1917, on first appointment.
R. K. Hykes	2nd Lieut. American Company	4 April 1917, on first appointment.
D. Inowka	2nd Lieut. Japanese Company	4 April 1917, on first appointment.
H. M. Spence	2nd Lieut. Light Horse	25 July 1917, on first appointment.
G. F. Ashley	2nd Lieut. American Company	25 July 1917, on first appointment.
B. Y. Woo	2nd Lieut. Chinese Company	25 July 1917, on first appointment.
V. Olsen	2nd Lieut. American Company	25 July 1917, on first appointment.
F. J. W. Melville	2nd Lieut. "B" Company British	10 October 1917, on first appointment.
S. Tanaka	2nd Lieut. Japanese Company	10 October 1917, on first appointment.
R. A. Stuart	2nd Lieut. Artillery	10 October 1917, on first appointment.
L. M. ff Beytagh	2nd Lieut. First Reserves	10 October 1917, on first appointment.
N. H. Bolton	Lieut. Medical Staff	21 November 1917, on first appointment.

The following have resigned their Commissions :—

Major G. Hanwell	Medical Staff	7 June 1917.
2nd Lieut. H. Quelch	Light Horse	29 March 1917.
Lieut. V. H. Lanning	"B" Company British	23 August 1917.
" J. H. Cubbon	Customs Company	27 November 1917.
" H. B. Sanford	American Company	21 June 1917.

The following deaths occurred in the Corps during the year :—

Private R. Patree, Austro-Hungarian Company
 Lance-Corpl. H. Pfaff, German Company
 2nd Lieut. H. B. Stewart, Shanghai Scottish
 Private F. W. Franz, American Company
 " A. Torrelli, Italian Company
 " G. Genovese, Italian Company
 " J. M. Sanderson, Shanghai Scottish
 " A. Wilson, First Reserves
 " R. J. Collaco, Portuguese Reserves
 Q. M. Sergt. J. M. C. Galletly, Shanghai Scottish

Details of the strength of the Corps:—

STAFF.

Major T. E. Trueman, Commandant.
 Major H. W. Pilcher, Director of Infantry Training.
 Captain L. E. Canning, Corps Staff Officer.
 Captain C. H. Godfrey, Engineer Staff Officer.
 Major G. R. Wingrove, Staff Reserve Officer.
 The very Rev. A. J. Walker, M.A., Chaplain.
 Sergeant-Major S. Wise, Corps Sergeant-Major.
 Quartermaster-Sergeant W. T. Rose, Quartermaster-Sergeant.

MEDICAL STAFF.

AMERICAN COMPANY.

PORTUGUESE COMPANY RESERVES.

Major R. J. Marshall.
 Captain H. C. Patrick
 Captain W. B. Billingham.
 Captain C. N. Davis.
 Captain J. Elliot-Murray
 Lieut. F. M. Neild.
 Lieut. N. H. Bolton.
 Captain S. A. Ransom (on leave).
 Lieut. A. H. Swan.
 2nd Lieut. R. K. Hykes.
 2nd Lieut. V. Olsen.
 2nd Lieut. G. F. Ashley.
 99 N. C. Officers and Men.

3 N. C. Officers and Men.

SECOND RESERVES.

32 N. C. Officers and Men.

LIGHT HORSE RESERVES.

Captain W. J. N. Dyer.
 8 N. C. Officers and Men.

RESERVE OFFICERS.

Captain J. D. Gordon.
 Lieut. A. J. Stewart.

LIGHT HORSE.

PORTUGUESE COMPANY.

MARITIME COMPANY & RESERVES.

Captain P. Crichton.
 Lieut. H. S. Lindsay.
 2nd Lieut. H. M. Spence (on leave).
 30 N. C. Officers and Men.

Captain A. M. Diniz.
 Lieut. D. M. de G. Gutterres.
 Lieut. E. Carniero.
 66 N. C. Officers and Men.

Captain A. W. Dixon.
 45 N. C. Officers and Men.

TOTAL STRENGTH.

ARTILLERY.

JAPANESE COMPANY.

Captain R. W. Davis.
 Lieut. S. B. Neill.
 2nd Lieut. R. A. Stuart.
 Sergeant-Major T. Mellows.
 31 N. C. Officers and Men.
 Captain T. Yamauchi.
 Lieut. N. Oki.
 2nd Lieut. D. Inowka.
 2nd Lieut. S. Tanaka.
 92 N. C. Officers and Men.

MACHINE GUN COMPANY.

CHINESE COMPANY.

Captain R. H. Gaskin.
 Lieut. E. B. Heaton-Smith.
 2nd Lieut. H. W. Rodgers.
 47 N. C. Officers and Men.
 Captain G. Grayrigge.
 Lieut. T. A. Zoe.
 2nd Lieut. B. Y. Woo.
 112 N. C. Officers and Men.

	Officers. Rank & File. Total.		
Active	50	917	967
Reserve	6	166	172
Totals	56	1083	1139

THE ENGINEERS.

SHANGHAI SCOTTISH.

Captain C. D. Pearson.
 Lieut. J. T. W. Brooke.
 Lieut. R. C. Young.
 50 N. C. Officers and Men.
 Captain C. H. Rutherford.
 Lieut. G. L. Campbell.
 Lieut. J. S. Chisholm.
 78 N. C. Officers and Men.

ITALIAN COMPANY.

Captain G. M. Billings
 Lieut. W. J. Monk.
 Lieut. St. G. R. Clark.
 99 N. C. Officers and Men.
 Lieut. M. Commencini.
 36 N. C. Officers and Men.

FIRST RESERVES.

Captain L. J. Cubitt.
 2nd Lieut. F. J. W. Melville.
 71 N. C. Officers and Men.
 Lieut. G. A. Johnson.
 2nd Lieut. L. M. ff Beytagh.
 78 N. C. Officers and Men.

CUSTOMS COMPANY.

CHINESE COMPANY RESERVES.

Captain H. D. Hilliard.
 76 N. C. Officers and Men.
 29 N. C. Officers and Men.

RETIRED LIST.

Lieut. Colonel D. Mackenzie.
 Major C. Holliday.
 Major H. E. Keylock.
 Major W. D. Little.
 Major N. Macleod.
 Major Brodie A. Clarke.
 Major C. C. Wedemeyer.
 Captain Sir J. C. Dudgeon.
 Captain G. Lanning.
 Captain C. O. Liddell.
 Captain G. E. Stewart.
 Captain W. M. Dowdall.
 Captain R. I. Fearon.
 Captain W. S. Burns.
 Captain J. Nolasco.
 Captain W. Brand.
 Captain R. H. R. Wade.
 Captain G. M. Jameson.
 Captain D. C. Dick.

T. E. TRUEMAN,

Major, Commandant, Shanghai Volunteer Corps.

LIST OF ARMS, ACCOUTREMENTS, SADDLERY, AND STORES ON CHARGE.

Bandoliers, leather, brown	991	Leggings, Canvas (Maritime Company)	43
" web, Light Horse	48	" Canvas, Brown	30
Barricades	3	" Brown, Leather	24
Bayonets, Rifle, Short Lee Enfield	815	" Canvas, (American Company)	153
Belts, American Officers'	3	Medical Stores :—Ambulance Boxes	6
" Cross, Artillery	29	" " First Aid Haversacks	12
" Drum-Major & Colour	2	" " Medicine Boxes	3
" Sam Browne, Officers	80	" " Pictorial Mannikin	1
" Waist, Brown	1121	" " Skeleton Articulated	1
" Web, Cartridge, American Co.	60	" " Stretchers, Wheeled	2
" Web, Sword, Light Horse	59	Pouches, Ammunition	215
Bits, bridoon and curb (spare)	83	Protectors, F. S.	1066
Bottles, water	1125	Pull throughs	2649
" Oil	1167	Range Finders, Weldons	2
Buckets, rifle and carbine	78	Reflectors, mirror	3
Bugles	20	Revolvers, Webley, 476	24
Bayonets, Long II Class (B)	907	" Webley Mk III	65
Bayonet, Fighting Kits	12	" Webley R I.C.	28
Cartridges, Dummy	1000	" Cases, leather	100
Carbines, Old	183	" Lanyards	107
" New	100	" Pouches	75
Chains, shoulder, Light Horse	61	" Rods, Cleaning	35
Cloths, saddle	3	Rifles, Short, Class A.	809
Coats, warm, British	1130	" Long, Class B.	907
Colours, S. V. C.	1	" B.S.A. Air	4
Clyno Motor Cycle	1	" W. O. miniature	6
Die for American Company Cap Badge	1	" 22 Rim Fire	6
Drums, bass	1	Rollers, body	36
" side	2	Roneo	1
Engineer Stores (List not published)		Ropes, head, staff	6
Flags, Marching past	6	" head with links	50
" Municipal S. V. C.	1	Rugs, pony	32
" No Parade	4	Saddles, Sowars, " B "	50
Frogs, brown	952	" Light Horse	24
Gauntlets, pairs, Light Horse	58	" M. I.	5
Guns, machine, Maxim	6	Safes	2
" machine, filling belt	1	Slings, rifle and carbine	1,172
" barrels, spare	11	Spurs, pairs	117
" belts (250 rounds)	96	Sub-Target Rifle Machine	1
" boxes, spare parts	6	Swords, Officers'	52
" Limbers	6	" Officers, American	3
" Machine, Rexer	2	" Troopers, Light Horse	71
" saddlery, sets	2	" assorted (incomplete)	14
" equipment, Infantry	2	Sandbags	1,000
" machine, Nordenfeldt	2	Telescope and Stand	1
" Krupp, 75 mm. (incomplete)	6	Tents	26
Girths	12	Trophies : Cup, Municipal Challenge	1
Hats, Campaign (American Company)	91	" Cup, Recruits	1
" Colonial	128	" Shield, General Efficiency	1
Haversacks	1070	" Shield, Inter-Company, Challenge	1
Helmets	1350	" Cup, Judging Distance	1
Knots, Sword, Officers' brown	68	" Cup, Overseas Club	1
Lamps, Magazine	2	Trumpets	2
" Mobilisation	12	Tubes, Morris	6
Lances, Cavalry	39	Typewriters	3
Leggings, Black Leather	60	Whistles, Officers'	25

T. E. TRUEMAN,

Major, Commandant, Shanghai Volunteer Corps.

ANNUAL INSPECTION OF THE CORPS.

Upon the conclusion of the period of annual training the Corps was paraded in the Public Recreation Ground on May 5, and there inspected by the Chairman, as Civil Commandant, accompanied by other members of Council. Subsequently an expression of the Council's appreciation of the efficiency of the Corps, and of his invaluable services as Commandant, was conveyed to Major Trueman in the following terms :—

Council Room, Shanghai, May 14, 1917.

MY DEAR MAJOR TRUEMAN,—The conclusion of the period of annual training, which culminated in the recent Annual Inspection of the Volunteer Corps, has afforded the Council a suitable opportunity to place on record its appreciation of the invaluable services that you have rendered to the Community during the past two years as Commandant.

The amount of hard work accomplished, as strikingly evidenced in the steady and martial bearing of all ranks on parade, has created a highly favourable impression and reflects the greatest credit on both yourself and the officers under your command. Further the sense of security and protection thus inspired cannot fail to have impressed deeply all those who were present at the Inspection.

On behalf of my colleagues and myself I heartily congratulate you on the high standard of efficiency attained especially at a time when so many of our best are absent fighting in the defence of their country. This satisfactory state of affairs can be achieved and maintained only so long as men are willing to exercise qualities of self-sacrifice and devotion to duty such as you and those under your command have exhibited.

I have the honour to be, My Dear Major Trueman,
E. C. PEARCE,
Chairman.

Shanghai, May 17, 1917.

MY DEAR MR. PEARCE,—Your letter dated May 14 is very highly valued by myself, the officers and all ranks of the Volunteer Corps, for the Council's appreciation which it conveys.

We esteem it an honour to serve the Council and the community by making ourselves efficient to act in defence of the Settlement when called upon.

The work of the officers has been loyally supported by the warrant officers, non-commissioned officers and men, in their endeavour to maintain the high standard of proficiency which has been set by my predecessors in command, and the Council's appreciative recognition of our efforts will be a great incentive in the course of our continued training.

I remain, My Dear Mr. Pearce, yours sincerely,

T. E. TRUEMAN,
Major, Commandant, S.V.C.

E. C. PEARCE, Esq.,
Chairman, Municipal Council, and Civil Commandant, S.V.C.

FIRE BRIGADE.

CHIEF OFFICER'S REPORT.

Personnel.—The Foreign staff of the Brigade consisted of :—

<i>Chief Officer</i>	M. W. Pett,
<i>Acting Departmental Engineer</i>	C. Campbell,
<i>Clerical Assistant</i>	H. Upton,
"	W. F. Rankin,

On December 31 the strength of the Volunteer Members, Officers and Firemen of the Brigade was 44, and was as follows :—

Mih-Ho-Loong (No. 1) Company.

<i>Foreman</i>	H. W. P. McMeekin,
<i>1st Assistant</i>	C. V. Jensen,
	and 8 Firemen.

Deluge (No. 4) Company.

<i>Foreman</i>	J. W. Stavers,
<i>1st Assistant</i>	W. G. Smith,
<i>2nd " "</i>	H. P. B. Jones,
	and 7 Firemen.

Hongkew (No. 2) Company.

<i>Foreman</i>	E. S. Thellefsen,
<i>1st Assistant</i>	P. C. Mansfield,
<i>2nd " "</i>	M. H. E. Frederiksen,
	and 15 Firemen.

Victoria (No. 7) Company.

<i>Foreman</i>	W. S. Clay,
<i>1st Assistant</i>	N. P. Thomson,
	and 4 Firemen.

In addition to the foregoing, there were 12 Bell Tower Watchmen, and a Staff of 194 (consisting of 8 Office and Store Staff, 21 Motormen, 35 Artificers, 17 Watchmen, 103 Chinese Firemen and 10 other ranks).

The strength of all Companies, except Hongkew (No. 2), is still further reduced from the figures given last year and varied from a total of 35 to 45 during the year.

The changes in Officers during the year were as follows :—

Mih-Ho-Loong (No. 1) Company.

Officers on December 31, 1916.	<i>Foreman</i>	R. W. Skinner,
	<i>1st Assistant</i>	R. A. Stuart,
	<i>2nd " "</i>	D. Campbell,
January 31, 1917.	<i>Foreman</i>	R. W. Skinner resigned officership.
	<i>2nd Assistant</i>	D. Campbell resigned.
February 8, 1917.	<i>1st Assistant</i>	R. A. Stuart appointed as Foreman.
	<i>Fireman</i>	H. W. P. McMeekin appointed as 1st Assistant.
	"	T. E. Mitchell appointed as 2nd Assistant.
March 29, 1917.	<i>2nd Assistant</i>	T. E. Mitchell resigned.
May 3, 1917.	<i>Foreman</i>	R. A. Stuart resigned.
	<i>1st Assistant</i>	H. W. P. McMeekin appointed as Foreman.
	<i>Fireman</i>	C. V. Jensen appointed as 1st Assistant.

Hongkew (No. 2) Company.

Officers on December 31, 1916.	<i>Foreman</i>	A. E. Fenton,
	<i>1st Assistant</i>	J. E. R. Harris,
	<i>2nd " "</i>	C. F. Harris,
June 21, 1917.	<i>Foreman</i>	A. E. Fenton resigned.
	<i>1st Assistant</i>	J. E. R. Harris resigned officership.
	<i>2nd " "</i>	C. F. Harris resigned officership.
	<i>Fireman</i>	E. S. Thellefsen appointed as Foreman.
	"	P. C. Mansfield appointed as 1st Assistant.
	"	M. H. E. Frederiksen appointed as 2nd Assistant.

Deluge (No. 4) Company.

Officers on December 31, 1916.	<i>Foreman</i>	M. A. Annett,
	<i>1st Assistant</i>	J. W. Stavers,
	<i>2nd "</i>	H. P. B. Jones,
May 1, 1917,	<i>Foreman</i>	M. A. Annett resigned.
May 10, 1917,	<i>1st Assistant</i>	J. W. Stavers appointed as Foreman.
	<i>Fireman</i>	W. G. Smith appointed as 1st Assistant.

Victoria (No. 7) Company.

Officers on December 31, 1916.	<i>Foreman</i>	M. B. Mathews,
	<i>1st Assistant</i>	W. S. Clay,
	<i>2nd "</i>	N. P. Thomson,
August 9, 1917.	<i>Foreman</i>	M. B. Mathews resigned officership.
September 27, 1917,	<i>1st Assistant</i>	W. S. Clay appointed as Foreman.
	<i>2nd Assistant</i>	N. P. Thomson appointed as 1st Assistant.

Attendance Cups.—The winners of the Attendance Cups for the year ending December 31, 1917, are :—

<i>Mih-Ho-Loong Company</i>	1st Assistant C. V. Jensen.
<i>Hongkew Company</i>	Fireman F. E. Fraser,
<i>Deluge Company</i>	Foreman J. W. Stavers,
<i>Victoria Company</i>	Fireman G. C. Ross,

Annual Inspection.—This annual function, which was less comprehensive than usual, took place on the Bund, at 5 p.m., on Thursday, April 26, when the Brigade was inspected by the Chairman of Council, Mr. E. C. Pearce : each Company manned two machines. In congratulating the Brigade the Chairman drew the attention of the public to the necessity of more men joining so that the depleted ranks should be filled, after which Mrs. Pearce presented the Silver Bars, Attendance Cups, Fire Insurance Association Challenge Shield and Cups to the present members. The opportunity was also taken to present the gold and silver Long Service Medals to those old members to whom the Council decided they should be issued on the occasion of the Jubilee celebration in 1916. The recipients were as follows :—

Gold Medals (Past Members.)

Mrs. Hanson on behalf of her father, the late Chief Engineer L. Moore,			
		1866—1903	37 years.
<i>Chief Engineer</i>	W. R. Kahler	1871—1904	33 "
<i>Foreman</i>	Alex. Berthet	1885—1904	19 "

Silver Medals (Past Members.)

<i>2nd Assistant</i>	C. Gram	1896—1903	7 years.
<i>2nd "</i>	J. Hamon	1898—1903	5 "
<i>Foreman</i>	H. S. King	1898—1903	5 "
<i>1st Assistant</i>	C. W. Cooper	1898—1903	5 "
<i>1st "</i>	G. J. T. Newman	1898—1903	5 "

Three Year Bars (Present Members.)

<i>2nd Assistant</i>	C. F. Harris	Hongkew Company (No. 2)
<i>Fireman</i>	R. W. Skinner	Mih-Ho-Loong Company (No. 1)

Attendance Cups.

Brigade Year August 1, 1915, to July 31, 1916.

T. E. Mitchell	Mih-Ho-Loong Company (No. 1)
P. C. Mansfield	Hongkew Company (No. 2)
W. G. Smith	Deluge Company (No. 4)
M. B. Mathews	Victoria Company (No. 7)

Municipal Year ending December 31, 1916.

H. W. P. McMeekin	Mih-Ho-Loong Company (No. 1)
P. C. Mansfield	Hongkew Company (No. 2)
W. G. Smith	Deluge Company (No. 4)
M. B. Mathews	Victoria Company (No. 7)

The proceedings terminated with a short pumping display in which four motor pumps were employed : at one time sixteen jets were in action.

COMPETITION.

The Annual Competition for the Fire Insurance Companies' Challenge Shield was held on the Public Recreation Ground on Saturday, October 13, and the Victoria Company won the trophy with an excellent drill in 2 minutes and 10 $\frac{3}{5}$ seconds. The Competition this year was a very closely contested one, less than 9 seconds separating the four Companies. After the Competition the Brigade, assisted by the French Concession Brigade, held some sports of an amusing and strenuous nature, and a very successful and enjoyable afternoon was brought to a close with a house on fire scene which was duly extinguished by the combined Brigades,

Fires.—The number of calls to fires, or supposed fires, during the year was 325 (an increase of 135 on the previous year, and of 93 over the previous record of 232 in 1915). Of these calls 230 proved to be genuine fires on assessed property within the Settlement, and 57 false alarms (or fires not traced by the Brigade). The Brigade also attended 38 fires outside the Settlement.

The calls were received as follows :—

Watch Towers	127
Exchange Telephones	124
Police	38
Street Fire Alarms	30
Staff and Messengers	6

Loss.—The total loss during the year on buildings and contents within the Settlement is estimated at Tls. 859,400 (Foreign, Tls. 671,450; Chinese, Tls. 187,950) an increase of Tls. 666,915 on that of last year. The estimated value of buildings and contents at risk at the above fires was Tls. 9,760,400 (Foreign, Tls. 8,511,050; Chinese, Tls. 1,249,350).

It will be noted that the estimated loss is very heavy, but this is mainly attributable to three large foreign fires, the Chinese loss being normal. One gratifying feature however, is that although the loss is heavy, the percentage of fire waste of the property at risk was only 8.78 per cent., which is slightly under last year's figure and is the lowest on record.

The year opened with a severe fire on New Year's day at the Great Northern Telegraph Building, where the whole of the roof and the attic floor (which contained a large quantity of inflammable stores) were in flames but the Brigade managed to save the floors below and one of the cable companies was able to resume operations within six hours. Had this fire got beyond control it is certain that the important buildings on either side and at the back would have been seriously involved. Another serious loss occurred on January 31, at the Say Kong godown fire, where merchandise valued at over a million taels was at stake; the loss, however, was slight, considering that the outbreak had obtained a strong hold. The building with the contents (which were dyes, etc.) would have been quickly gutted had not the fire been promptly tackled. An interval of nearly nine months elapsed before the next serious foreign fire occurred at the Oriental Cotton Mill on October 14, where on the arrival of the Brigade, three large godowns containing raw cotton and yarns were found to be well alight. The position was hopeless from the outset and the Brigade could only endeavour to save the adjoining and surrounding property; in this they were completely successful. Apropos of this fire it is necessary to mention that unless every precaution is taken in the construction and maintenance of buildings connected with the cotton industry, the losses are bound to be serious, with consequent high rates of insurance. This was a typical instance in which godowns containing cotton and yarns were attached, two being intercommunicating. The buildings themselves were of the ordinary construction, *i.e.* massive exterior walls with wood floors and a quick burning type of roof and the communicating doorways were unprotected, a factor which rendered the fire walls useless. Apart from the construction and the highly inflammable nature of the contents, the Brigade was called at least twenty minutes late, so that the severe loss at this fire was not surprising, but this is typical of the general run of calls received to cotton mill fires. A number of mills are fitted with fire appliances and the more modern ones with sprinklers, etc., but not until a fire gets beyond control is the Brigade usually called; whereas if this were done when the outbreak is first discovered the Brigade would respond simultaneously with the endeavours of the mill staff, I am afraid there is still a rooted objection to

calling on the Brigade as a safe-guard on the first intimation of fire. It is evident, whatsoever the outbreak may be, that the services of the Brigade should be obtained as soon as possible. Recent years have shown that had this been done, the losses would have been reduced considerably. The cotton industry in Shanghai is rapidly increasing, and I trust that the fire question will receive the very necessary consideration it deserves.

Loss of Life.—I regret to have again to report that the loss of life from fire during the past year was serious, no less than 23 persons losing their lives at fires attended by the Brigade, whilst 27 persons were injured; this loss is the heaviest since 1912, being 14 more than last year.

The particulars of these fires are as follows :—

515-516 Tiendong Road, January 24.—The body of a man was found in the débris on January 27. He is supposed to have gone back to rescue some belongings and presumably was overcome with smoke.

PP. 934-5 Tong Dong Ka Loong, February 8.—Some time was lost owing to an incorrect report being received, but it is extremely doubtful whether the Brigade could have effected a rescue had this mistake not occurred, as five of the six bodies (two males and three females) afterwards recovered were found amongst the débris of the premises in which the fire originated: their escape was evidently cut off before the fire was discovered. The body of a female child was also found in a house opposite and it is evident that the occupants became panic stricken and rushed out leaving the child to its fate.

H. 375 Hoopoh Road, March 21.—At this fire a little boy aged 4 years lost his life. The premises were practically a furnace on the arrival of the Brigade, and it was not until damping down operations were in progress that the body was found and it was known that any lives had been lost.

J. 1400 off East Seward Road, April 20.—The bodies of a woman and three girls were found in the débris of the premises where the outbreak originated and one man was so injured in escaping that he died in the hospital. It was not until the fire was practically extinguished that information was received that anyone was missing.

E. 393A off Burkill Road, May 13.—In the confusion a little girl, aged 2 years, was left asleep on the first floor and before the parents realised that the child was missing the whole building was in flames, there was, therefore, no chance of a rescue being effected.

E. 172 off East Yuhang Road, May 23.—The finding of the body of a youth aged about 15 at the head of the staircase was the first intimation the Brigade received that there had been any loss of life.

E 85-6 Shanse Road, September 26.—It was not until the fire had been in progress some considerable time that information was received that the inmates of one of the two shops first affected had not escaped, and on a search being made as soon as was possible the bodies of a man, a woman, one boy and two girls were found.

ILL 1096 Thorburn Road, November 15.—The occupants ran away and it was not until the débris was being turned over that the bodies of two children were found. It was afterwards ascertained that a child had died of small-pox and that joss paper was being burnt as a sacrificial offering. This started the fire which resulted in the death of a boy aged 8 years.

M 688 off Fokien Road, December 31.—The body of a youth, who was asleep in this lodging house, was found after the fire. As the fire started in an adjoining house and all the other occupants of the premises escaped, it is inexplicable how this youth lost his life.

It will be noted that in none of the above fires could any blame be attached to the Brigade for the loss of life. In addition thereto it is to be regretted that whilst responding to a call on April 8, the driver of Light Motor Hose Tender (No. 14) ran into a ricscha in North Thibet Road and so injured the coolie that he died in hospital. The ricscha was empty and the puller apparently lost his head and tried to rush across the street when the motor was right on top of him. At an enquiry which was subsequently held it was found that no blame attached to our motor driver.

It is surprising that there is not a larger loss of life from fire as the means of egress from nearly all Chinese buildings are totally inadequate. The premises, as a rule, are very much overcrowded, and the only staircase is usually quickly cut off. Matters are made worse where shops are below, as the contents are generally of a light and inflammable nature, and the outbreak spreads with such remarkable rapidity that in a few seconds the whole of the shop is in flames. Again, apart from the fact that the buildings themselves

have wood frames, an exceedingly large amount of wood is otherwise used in their construction, also very thin matchboard partitions are afterwards erected and these, to make them more presentable, are often covered with paper. In addition Ningpo varnish, which is a rapid conveyor of fire, is liberally used. On licensed premises every endeavour is made to provide proper staircases and to improve the means of egress generally. The greatest difficulty has so far been experienced in getting this carried out, but in the majority of buildings, where only the building rules apply, nothing can be done: unfortunately there is no rule appertaining to staircases, except that, when constructed, they must be structurally safe. In many instances the so-called staircases are more in the form of a wooden ladder.

Stations: Central Station.—The wood sliding poles were replaced by metal ones. The congestion in this station is acute and seriously hampers the whole Brigade.

Hongkew Station.—The new station at the junction of Range and Woosung Roads was completed and occupied by the Hongkew (No. 2) Company on June 2, when the old station was vacated. This station has already proved a great boon: its position is excellent and the up-to-date building allows for the proper working of the Company and staff. As the property required for the widening of Thorne Road has not yet been acquired, it has been impossible to provide the back entrance, and the yard and boundary wall is incomplete. Nor has the look-out at this station yet been used in view of the necessity of retaining men at the Hongkew Bell Tower, which is not far distant, for the purpose of ringing the bell.

Sinza Station.—The stables have been dispensed with and converted into living quarters for the Chinese staff. The main engine room doors have been provided with quick opening devices, and a room converted into a drying room so that hose may be more quickly dried.

Soochow Road Sub-Station.—This station is still being used as a temporary workshop, and as accommodation for two staff motor machines. The back portion of the yard was raised to the level of the front but extensions are required as it is used to relieve the Central Station.

Yangtszepoo District Station.—I trust that the building of this station will be commenced and completed as soon as possible, especially in view of the serious cotton fires in this district.

Bubbling Well District Station.—A site for this station has not yet been obtained. It is advisable that the Western District should be better protected and a station with the necessary men and appliances should accordingly be provided.

Fire Float.—The Fire Float was used at the following fires during the year:—

January 1, Great Northern Telegraph Company.—The float rendered valuable assistance to the land machines of the Brigade at this fire.

April 22, Han Yeh Ping Wharf, Pootung.—The Brigade was asked for assistance and on arrival laid on and all danger from a fire which had been well checked by the Wharf staff was put to an end.

September 28, S.S. "Chinese Prince."—Assistance was asked for and the Chief Officer and staff proceeded to the vessel which was lying at the No. 3 Buoy. The ship's pumps were at first utilized, but it was afterwards deemed advisable to call in the services of the float.

October 14, Oriental Cotton Spinning Co., 36 Yangtszepoo Road.—The float did yeoman service at this fire and was left on duty for 3½ days to assist in the salvage operations. The Customs fire float "Huning" also rendered valuable assistance.

December 15, Pau Fong Cotton Mill, Chapei.—As cotton was involved the services of the float were offered and it rendered valuable assistance to the Chapei Brigade.

December 25, Carlowitz & Co.'s Godown, Pootung.—A late call was received and the Brigade proceeded on the float and, with the assistance of the Customs float, got twelve streams to work and surrounded the godown which was simply a furnace. After nearly two hours hard work the outbreak was checked from spreading to other property and the staff was left to damp down. The float remained on duty for four days.

Equipment (Motor).—The four Light Motor Hose Tenders, which in nearly every instance were the first to arrive at fires, have proved very satisfactory. They have enabled long lines of hose to be laid on with a promptitude that was hitherto impossible and they carry the necessary light equipment to deal with a fire in its early stages. All these machines have had hard usage during the year, and each has covered a considerable mileage without requiring much repair.

Motor Escape Tender No. 15.—A new 40 h.p. chassis, which was ordered last year, was received from Messrs. Dennis Bros. and was fitted with a hose box, a first aid complement (consisting of a 60 gallon tank, hose reel, etc.), and a 55 feet detachable escape. This machine was placed in temporary commission with No. 4 Company in place of Motor Hose Tender No. 1.

Motor Lorry No. 16 and Ladder and Hose Tenders Nos. 17 and 18.—Provision was made in the estimates for a large electric chassis, but owing to the enhanced price it was considered advisable to purchase locally three light commercial petrol motor chassis instead, and one "Hudford" and two "Maxwell" one ton chassis were accordingly obtained. The "Hudford" was fitted out as a light van, and the two "Maxwells" as Ladder and Hose Tenders for the staff. These machines have already proved their utility and the old horse vans have now been dispensed with so that the Brigade is at present an all motor one, the total motor complement being nineteen.

The following are the changes to old gear which have taken place during the year :—

Motor Tender No. 1.—This machine was taken out of commission towards the end of the year for an overhaul but it is not considered fit for much further service.

Motor Fire King No. 3.—This machine was completely overhauled.

Motor Tender No. 4.—This machine was taken out of commission for the purpose of being adapted to carry a 55 feet escape, and thus converted into a Motor Escape Tender. The wheels are also being altered so that the tyres may be of a new standard size.

The Brigade is still deficient in pumping plant. This was illustrated at the North Fokien Road fire on June 4 when every pump was in use leaving none at the Stations to cope with other fires had they occurred. In view of the high buildings which are now being erected and of the fact that the water pressure from street hydrants is insufficient without augmentation by means of a pump, it will be necessary to add at least two powerful pumps to the present complement as soon as possible, together with an additional 85 feet turntable escape.

Equipment, General.—Owing to the varied class of local buildings it is extremely difficult to provide the proper class of machines, etc., with due regard to expenditure, as are required. The average fire is in a Chinese building and requires only light extension ladders and a number of powerful small jets, on the other hand the larger foreign buildings require high extension ladders and a number of large high pressure jets. In actual practice two complete sets of gear are necessary, and provision of one set sufficient for all purposes is a difficult matter. This will be appreciated when it is realised that two building codes (Foreign and Chinese) are in operation in Shanghai whereas in other cities there is only one and, to make matters more complex, buildings constructed under the different codes often adjoin one another. Apart from maintaining the Brigade up-to-date, new appliances have continually to be introduced in order to deal with special features which are constantly being met with. As an instance of this difficulty the number of light ladders has been trebled within the past three years, but, at fire after fire in Chinese buildings, the want of more ladders was emphasized. Owing to the rapid spread of fires under roofs, and the difficulty of quickly moving $2\frac{1}{2}$ " hose, a smaller type was found necessary, and a larger complement of $1\frac{1}{2}$ " hose and appliances is now carried on most of the machines. The outlet thread of the $1\frac{1}{2}$ " nozzles has been reduced so that even smaller hose, i.e. $\frac{3}{4}$ " (handpump size) may be used. For high foreign buildings the heavier type of appliances is required, and the hose must be able to stand much greater pressure. The wear and tear of hose and fittings, by being dragged down alleyways, round corners, and over roofs, etc., of Chinese buildings, has a detrimental effect, consequently at the larger foreign fires difficulty is experienced due to appliances not being in the best possible condition. It is not feasible, however, to run two sets of gear for these very different fires. The two 55 feet escapes under construction in the Brigade workshop were completed and placed in commission. Further progress was made in time-saving devices for getting to work at fires, and nozzles, breaching pieces, hose and other appliances, which are the first to be used, are now carried in the most accessible position on the machines.

Accidents.—A marked improvement was effected in the number of accidents which occur when the machines are going to and returning from fires by the institution of a set of driving rules. Nevertheless

the greatest care has to be taken, especially in the crowded thoroughfares where Chinese, seeing the approach of a fire engine, lose their heads and often dash across right in front of a machine. Some of the worst offenders are private motor cars, the drivers of which seem to think it a joke to race a fire engine; they will not however continue to think so should they happen to collide with some of the Brigade's heavier machines which weigh over 5 tons. It is regrettable that the stringent laws, in force elsewhere to assist Fire Departments, are not in force here, as the Brigade repeatedly loses valuable time in getting to fires, by obstructions met with en route. Even the ringing of the carillon bell is complained of by people who are awakened by the passing of the Brigade.

Alarm Service.—Without doubt a comprehensive and up-to-date system of street fire alarms is urgently required, it being the only direct and absolutely reliable means of calling a Brigade. At two out of the three largest fires of the year, the first intimation was received from a watch tower. For the watchman on the look-out to notice smoke it is evident that the fire must have obtained a good hold, and in both instances, it was only with the greatest difficulty that the Brigade saved both buildings from being gutted. The calls received are nothing like as uniform as they should be, sometimes intimation is received within a reasonable time of the outbreak being discovered, but the majority of calls are very late as illustrated by the number of houses destroyed. The Foochow Road fire on December 31 was a typical example, for no less than two large shops and two large lodging houses were found to be well alight and doomed when the Brigade arrived, and this in the heart of the Central District. The equipment of the Brigade is modern, and no time is lost in responding to a call, but there is no doubt that the fire loss could be considerably reduced if an efficient fire alarm system was installed. As mentioned in previous reports, considerable assistance could be given if persons, who first discover a fire, would report immediately by the nearest means, generally a telephone, to the Central Fire Station and not leave it to somebody else to do so. Complaints have been heard at fires as to the alleged late arrival of the Brigade, but the complainants on being asked if they had personally taken any steps to forward the call, invariably replied in the negative. As in previous years, considerable annoyance was given by people continually ringing up the Central Watchroom and enquiring as to the location of a fire, but steps have been taken to stop these unnecessary enquiries. Attention must again be drawn to staffs, on premises fitted with private fire appliances, refraining from calling the Brigade until the fire has got beyond their control and thus treating the Municipal Fire Department as an auxiliary force. It has often been suggested elsewhere that it should be made compulsory for such persons to notify the Brigade, so important is this point considered; the reason therefor being that a person may unduly endanger another person's property. If a person is insured it is understood in the terms of his insurance policy that he will take every precaution against fire, and endeavour to deal with it should it occur; one of the obvious measures is to notify the fire brigade and if this is not done it may be said that the terms of the policy have not been complied with.

Water Supply.—During the year 68 new stand post hydrants have been erected, the majority of which have been of the treble outlet pattern, generally where new mains have been laid by the Shanghai Waterworks Co. The question of provision of a high pressure service for the higher buildings, especially in the Central District, is still in abeyance, but there is little doubt that this is the only means by which the problem of being better able to cope with fires in such buildings will be solved. The important matter of the provision of more and larger hydrants generally throughout the Settlement is also still under consideration. It is very unfortunate that the hydrants erected until a few years ago were only of the single 2½" outlet, not numerous, and often considerable distances apart. Again they are so placed that the Brigade is unable to localise them at once, no general rule having been observed with regard to their position. Had they been erected at road junctions and at definite distances one would immediately know where to find them and valuable time would be saved. As it is, a very large number of new hydrants is required of the large modern type, for at nearly every fire difficulty is experienced in obtaining sufficient water; two hydrants of the old pattern being required to adequately supply the smallest motor pump, and three and four the larger pumps. It is no uncommon occurrence to utilise over a thousand feet of hose to obtain the supply for two pumps, whereas there should be no necessity to use any hose at all for this purpose. The hydrants are now periodically inspected and tested by the staff of the Brigade, so that the considerable flushing which was previously required to clear them of stones, etc., is now unnecessary: the hydrants generally are in a much better working condition.

Hazardous and Dangerous Trades.—The licensing of premises used for the manufacture or storage of dangerous material was transferred from the Health Office to this Department during June. More control than is now possible should be exercised over buildings where hazardous or dangerous goods are stored or manufactured. A number of fires still continue to occur in small Chinese cotton ginning and cleaning premises which in most cases are merely ordinary Chinese dwellings converted for the purpose. Under normal conditions the premises are thus rendered unsafe: when a fire occurs it not only spreads with such marked rapidity that the premises are usually gutted, but they constitute an additional menace to the adjoining property. The Brigade is unable to work in such buildings as the extra load caused by the water on the cotton makes the premises liable to collapse at any moment. This is only one class of premises which should be controlled, there are several others.

Fire Protection and Inspection of Buildings.—The new Building Bye-laws, although only in force a short time, have already proved very beneficial as some of the much needed measures against the spread of fire can now be enforced. Reinforced concrete is now being more universally adopted in place of the combustible or composite construction previously in vogue. It is, however, to be regretted that owing to the War, the cost of building materials, especially for fire-resisting buildings, has risen considerably, and in some instances such materials and fittings as wire-glass and steel casements are very difficult to obtain. This undoubtedly acts as a deterrent to the erection of more buildings of this class. There is, however, one pleasing result caused by the large increase in the cost of steel, and that is the decrease in the erection of buildings of composite construction, these being the worst class a Fire Department cares to deal with owing to the expansion and contraction of the unprotected or partially protected steel work under heat. Fire hydrants and appliances, and in some cases in the higher buildings—pumps and roof tanks, have been provided in all new buildings of any size or of special occupation. These installations, as with those in the older buildings, will prove of little use unless properly inspected and maintained in good order and to this end an inspection staff of the Brigade has been asked for, and provision made in the estimates for two visiting officers.

An important advance was made in the inspection of licensed premises and a number have been made as safe as possible. A great deal however remains to be done in this direction, not only for a large number of other premises, but also in seeing that the means of egress and other precautions required in premises already inspected are maintained as approved after the licence is granted. In a large number of cases the requirements are carried out, but immediately the premises are approved unauthorised alterations and additions are made which completely nullify the safeguards taken. Instances can be given where emergency staircases have been removed or partitioned off, and emergency doors wedged or nailed up. A number of other things have been done which would not be done were periodical inspections made. These dangerous practices will, however, eventually be stopped by regular inspection and prosecutions in flagrant cases. Of recent years a new class of entertainment building comprising several forms of amusement within its four walls has been erected and has become very popular; this, and other buildings of a similar class, were made reasonably safe when opened. A certain latitude was allowed for what is known as "sing song" performances but advantage was taken of this privilege, and in a short space of time the sing song became a stage performance; consequently each floor was made, or was being made, into a small theatre. The staircases and other means of egress were rendered useless or very unsafe, by the erection of stages and the provision of scenery, stage properties, and dressing rooms, etc. Although the licensees were informed of the danger, little or no notice was taken, and the licences for such premises had necessarily to be withdrawn before the premises were re-instated in their former condition and again made reasonably safe. Some of these buildings are four or five stories high and every care has to be taken to provide and maintain proper means of egress. It is probable the licensees may consider that, as they cannot do as they like, a hardship is being imposed, but the precautions taken as regards the safety of persons who pay for admission are only those that are from time to time found necessary. It must be remembered that some of these premises hold from two to three thousand people, and it is very doubtful whether the means of egress—though they may appear ample—would prove sufficient should a fire or panic occur during the extreme congestion which often takes place. The only preventative in this direction is to restrict admission to the building and to insist upon strict observance of the licence conditions.

Several theatres and other places of entertainment require attention, mainly as regards their means of egress. Nearly all the Chinese theatres, which previously had the same set scene throughout a play, have now the foreign style of scenery, consequently many, which may have been reasonably safe before, are not so now. The stages are now full of scenery but no provision was made when the buildings were originally approved against a fire, which has now the same elements of danger as a foreign theatre. To bring these theatres into line will be a difficult matter and will necessitate structural alterations of considerable magnitude, but undoubtedly a good deal can be done by the revision of the seating accommodation, the provision of additional staircases, stage vents, etc., and if every precaution is taken to deal with an outbreak of fire. That this is a serious matter may be gathered by the fact that one of these theatres accommodates 3,000 people.

Incendiary Fires.—As will be seen from the table showing the causes of fires, etc., there are 42 classified as "Unknown." The reason why it has been impossible to trace a number of these fires, is due to the fact that the buildings where the outbreak originated were completely gutted, and although the inmates may definitely state the cause, this evidence cannot be accepted unless it is substantiated. Careful enquiries made with regard to the majority of fires, the cause of which is unknown, tend to prove them to be accidental, there being few instances of incendiarism or arson. Just prior to Chinese New Year, which is the traditional time for such fires, it was quite evident that practically all the fires were accidental. It is not to be denied that arson still has its inducements here, as elsewhere, but whereas the Settlement in the past had a bad reputation for such fires, I think that it is now normal. Naturally there must be isolated instances, one of which occurred at No. 49 Kiangse Road on January 16, where two Chinese set fire to the offices of the British Manufacturer's Agency. Fortunately the Brigade received an early call and effected such a good stop that the preparations made, which were fairly elaborate, were plainly in evidence. A candle, which had been lighted some hours previously, and which was intended to burn down and set fire to some tissue paper placed around the base in a cardboard box with a train of oil-paper leading to other preparations, was intentionally allowed to burn down but the fire was not permitted by the Brigade to do more than ignite the paper. The fire was started in another room, no doubt by the same means, and had obtained a good hold when the Brigade arrived. The two men concerned were charged at the Mixed Court and each was sentenced to seven years' imprisonment.

General.—The number of the Volunteer members of the Brigade was even less than the previous year (varying from 35 to 45), and changes have again been numerous. Apart from the total strength being low, the attendance at day fires becomes lower and lower with the depletion of office staffs, a number of men being consequently debarred from attending fires during office hours. As a safeguard in case of a second fire, sections only of the Brigade attend unless it is absolutely necessary to call out every Company. Until recent years every Company with practically double the present strength attended all general alarms; now with the exception of Nos. 1 and 7 Districts, where two Companies respond and part of No. 2 District where only No. 2 Company turns out, three Companies only do so. It will be seen by the record of fires that the work of the Brigade, even as far as the extinction of fires is concerned, is becoming more difficult year by year. The large increase in the fire loss and the property at risk shows that there should be no temporising with the provision of the necessary complement of men to adequately deal with fire. It has consequently been found necessary to considerably augment the Chinese staff and give them a better training than heretofore. If this had not been done it would not have been possible to deal with the larger fires during the past year. I am, however, pleased to say that the majority of the members of the Brigade realise the difficulty of the position and have given their loyal support.

The strength of brigades at Home is roughly one fireman for every 5,000 inhabitants. These, of course, are trained European firemen, many of them with considerable experience, and the fires they have to deal with are in buildings of a substantial kind. On this basis 150 men are required here, but when one takes into consideration the congested and inflammable nature of the buildings, even a larger number than this is actually necessary. In this respect, it must be pointed out that owing to high rental the majority of shops, etc., are packed with merchandise. New Chinese buildings are higher, and are constructed of a lighter and more inflammable wood than formerly and whereas in the past it was found possible to confine a fire with a small number of jets it is now usually necessary to have a large number, thus necessitating a corresponding increase of men. The difficulty of efficiently working a brigade under such varied conditions as these is being made manifest as the Settlement grows. Until quite recently there were three foreigners only on the

permanent staff—one of whom gives but part of his time to brigade work. An additional clerical assistant was appointed on probation on December 17, but this still leaves considerable congestion in the necessary supervision of the Chinese staff, etc.

During the year the Brigade attended and rendered good service at a number of fires, more than usual, outside limits along the Northern boundary; in some instances to protect property where foreign interests were concerned or to check the fire from spreading into the Settlement.

Part of the staff attended on duty at several public and private entertainments, etc., during the year. Their services were gratuitous, but owing to the increase of staff necessary, and the contingent expenditure on such a precautionary measure, it seems but fair that a charge should be made for these services.

I append tables giving detailed particulars, appliances, number of calls received, causes, etc.

M. W. PETT,
Chief Officer.

TABLE SHOWING NUMBER OF CALLS TO FIRES OR SUPPOSED FIRES SINCE 1908.

Year	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908
Month										
January	31	17	27	29	11	19	15	15	9	18
February	26	20	17	16	9	13	8	13	6	18
March	31	18	25	16	10	11	3	13	9	20
April	43	22	21	9	7	7	1	10	15	11
May	40	12	28	17	9	10	4	10	21	11
June	26	13	15	6	8	9	11	5	10	4
July	13	11	13	13	3	3	2	5	5	6
August	16	3	15	9	8	7	6	6	6	4
September	14	13	13	9	9	7	7	9	3	10
October	20	15	18	10	21	6	11	7	6	4
November	30	23	15	14	16	9	5	10	4	15
December	35	23	25	13	20	14	8	12	17	15
Totals	325	190	232	161	131	115	81	115	111	136

MONTHLY RETURN OF FIRES, 1917, SHOWING TIME OCCUPIED, WATER USED,
ESTIMATED RISK AND DAMAGE, ETC.

Month.	Number of Calls attended.				Alarm given.		Time of day.		Time occupied.		Lives lost.	Injuries to.		Estimated Amount at Risk.		Estimated Amount of Damage.		Houses.		Water used at Fires in Gallons.
	Inside.	Outside.	False Alarms.	Total.	General Alarm.	Station Call.	8.30 a.m. to 5.30 p.m.	5.30 p.m. to 8.30 a.m.	Brigade.	Staff.		Firemen.	Other Persons.	Foreign Buildings	Chinese Buildings	Foreign Buildings	Chinese Buildings	Destroyed.	Damaged.	
									hrs. m.	hrs. m.				Tls.	Tls.	Tls.	Tls.			
January	26	2	3	31	16	15	10	21	22.45	549.30	1	...	3	2,414,000	47,850	209,350	7,950	6	34	379,100
February	21	2	3	26	17	9	9	17	17.50	231.00	6	...	4	373,500	115,200	2,050	14,500	15	24	217,474
March	28	1	2	31	11	20	10	21	15.00	188.00	1	...	1	701,900	87,500	1,500	2,750	2	18	75,880
April	30	6	7	43	15	28	20	23	25.40	273.00	6	1	4	1,730,500	185,700	300	14,700	5	24	408,014
May	32	1	7	40	11	29	11	29	18.50	209.15	2	...	4	60,000	206,000	50	18,750	7	26	187,620
June	17	3	6	26	10	16	5	21	15.00	243.00	...	3	1	211,000	135,100	3,150	47,300	4	15	151,652
July	4	6	3	13	3	10	8	5	9.05	46.00	...	...	...	180,000	5,000	100	...	...	1	37,506
August	12	1	3	16	4	12	8	8	6.35	114.00	...	1	...	180,000	54,500	3,200	7,500	1	11	67,028
September	8	2	4	14	5	9	6	8	12.35	144.00	6	...	1	106,000	140,000	500	29,700	3	19	212,624
October	13	3	4	20	5	15	5	15	15.15	496.30	...	...	...	1,654,000	25,500	450,250	4,000	7	12	1,072,404
November	15	5	10	30	7	23	9	21	13.55	261.00	1	...	1	50,150	39,000	600	5,250	2	11	57,680
December	24	6	5	35	8	27	17	18	26.20	295.00	1	2	1	850,000	208,000	400	35,550	8	16	634,541
Totals	230	38	57	325	112	213	118	207	196.50	3,049.75	24	7	20	8,511,050	1,249,350	671,450	187,950	60	211	3,501,523

LIST OF FIRES (WITHIN THE

SUPPOSED																		
TRADES, ETC.	Dropped match or cigarette end	Lamp or candle upset	Sparks, embers, or ashes from stoves, etc.	Sparks from chimney	Joss paper, incense or candles	Joss	Defective flue or grate	Electric wiring fusing short circuit	Leakage of gas	Electricity setting gas on fire	Lamp explosion	Lamp misce explosion	Clothing, bedding, etc., too close to fire or stove, etc.	Lamp or candle burning with drapery, etc.	Stove upset	Foot warmer overheated	Dry kiln overheated	Spontaneous combustion
Baker and Confectioner	..	..	..	..	..	..	1	..	..	..	..	..	1	..	..	..	..	..
Bamboo Yard	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Basket Shop	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..
Bean Cake Shop	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Boat Yard	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bookseller and Stationer	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Boot Maker	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..
Boot and Shoe Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bottle Maker	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..
Brothel	..	..	..	..	1	..	..	1	..	..	..	..	..	..	..	..	..	..
Building in course of construction	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..
Butcher	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cable Office	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cafe	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Carpenter and Painter	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Carriage Builder	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Chemist	1	..	..	1	1	..	..	1	..	..	..	..	..	..	..	..	..	..
Chinese Dwellings	2	6	10	1	5	..	1	..	..	..	..	1	2	4	3	1	..	..
Chinese Offices	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cigarette Shop and Factory	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..
Clothing Shop	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Club, Chinese	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Contractor's Yard	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..
Cooper	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cotton Mill, Foreign	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..
Cotton Ginning & Cleaning Mill	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cotton and Skin Cleaning Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Crocery Shop	1	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..
Dye Merchants	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Educational Supplies	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Electrician	1	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..
Electric Light Pole or Fuse Box	..	..	..	..	..	..	..	3	..	..	..	..	..	..	..	..	..	..
Electric Power Station	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Engineering Works	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Firewood Shop	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Fire Station	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Foreign Boarding House	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Foreign Office and Flats	3	..	1	1	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Foreign Residence	..	..	..	1	..	..	..	..	..	..	..	..	3	..	..	..	..	..
Furniture Factories and Shops	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Garage	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
General Stores	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..
Godowns, Foreign	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..
" Chinese	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hair Dresser	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ham Shop	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hat Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hotels, Foreign	..	..	1	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Hot Water Shop	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Iron Merchant	1	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..
Joss House	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Laboratory	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lamp Chandler	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..
Leather Shop	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..
Lime Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lodging House	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..
Macaroni Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Marriage and Funeral property	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..
Mattress Maker	1	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Oil and Sundries Shop	1	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..
Open Spaces	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..
Outhouses and Sheds	2	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Pawn Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Picture Renovator	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Piece Goods Merchant	1	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Pig Skin Box Maker	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Printers	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Provision Merchants	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rag Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rattan Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Restaurant and Eating House	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rice Shop	1	..	2	1	1	..	1	..	..	..	..	..	..	..	..	..	..	..
Ricksha Maker	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..
Roze Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
School	..	..	1	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Silversmith	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sock and Stocking Factory	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..
Stables	..	..	..	1	1	..	..	..	..	..	..	..	..	..	..	..	..	..
Sugar Cane Store	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..
Synagogue	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..
Ten Box Factory	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Telephone Exchange	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Timber Merchant	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Wine Shop	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Woodyard	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Totals	25	10	18	11	13	2	15	5	2	2	1	6	9	6	1	2	1	1

REPORT OF CAPTAIN-SUPERINTENDENT OF POLICE.

BRANCHES OF THE FORCE.

Foreign.—The authorised strength of the Foreign Branch, and its actual composition on December 31, 1917, excluding men on war service, was as follows :—

	<i>Authorised.</i>	<i>Actual.</i>
Chief Inspectors	5	5
Chief Detective Inspector	1	1
Head Gaoler	1	1
Inspectors	12	12
Detective Inspectors	2	3
Assistant Gaoler	1	1
Sub-Inspectors	12	10
Detective Sub-Inspectors	5	4
Sergeant-Major	1	1
Sergeants	96	70
Detective Sergeants	17	18
Senior Warders	4	4
Constables	105	18
Detective Constables	11	0
Warders	13	7
	286	155

It is to be noted that the year closed with the strength of this Branch 131 men, or 46% below its authorised establishment.

On December 31, forty-six members of the Force were on War Service.

Owing to the War no recruits were enlisted from Home during the year, but one man was recruited locally. Nine men resigned and three were dismissed for misconduct.

The rank of Sergeant-Major and Drill Instructor was created from January 1.

A European Printer was engaged for the Gaol Printing Department on October 8.

I regret to have to record the death, whilst in the execution of his duty, of Sergeant C. Hamilton as the result of pistol shot wounds inflicted by an armed Chinese desperado on Yates Road at 7.40 p.m. on October 24.

Of the men proceeding on War Service, I regret to record the deaths of Sergeant W. H. Coles, Sergeant J. R. Malone and Warder E. Alderson, all of whom were killed in action, the former in Palestine and the two latter in France.

Since the commencement of the War the following men have been killed in action.

Sergeant	G. W. Bradish
"	W. H. Coles
"	J. R. Malone
Warder	E. Alderson
Constable	P. J. Heckford.

As the result of wounds and injuries received in action the following men have been invalided from the Force at their own request :—Sergeant A. F. Grimble, D.C.M., who lost both his legs ; Constable T. Howarth, who had his jaw shot away ; Constable R. A. Orr, who lost his left arm ; and Constable A. A. V. Scudamore, who was wounded and gassed.

It is a matter of great satisfaction to record the following honours won by members of the Force for gallantry and other services whilst on active service :—

Cadet	K. M. Bourne	Military Cross
"	F. L. Wainwright	" "
Sergeant	A. F. Grimble	Distinguished Conduct Medal
Constable	J. F. Lovell	" " "
"	N. J. Bournes	Military Medal

COMPARATIVE TABLE OF OFFENCES BY FOREIGN MEMBERS OF THE FORCE.

	Drunkenness.	Neglect of Duty.	Minor Offences.	Total.
1915	10	16	37	63
1916	4	20	8	32
1917	3	8	11	22

The average daily number of men sick during the year was 5.83.

Japanese.—The strength of the Branch on December 31 was 1 Inspector, 2 Sergeants, 26 Constables and 4 Interpreters.

One Constable was invalided suffering from rheumatism. One extra Interpreter and Translator was engaged for work in the Criminal Investigation Department.

During the year the men have been diligent and attentive to their duties and their work has been quite satisfactory.

Sikh.—The authorised strength of the Sikh Branch for 1917 was 2 Jemadars, 52 Havildar-Majors and Havildars and 415 Constables. On December 31 the numbers were 32 men short of establishment.

The discipline of the Branch throughout the year has again been excellent. There has been no serious crime and not a single case of gross insubordination. The death of Sergeant Hamilton on October 24 at the hands of armed robbers cast a grave reflection on the Branch as a whole owing to the cowardice of a Havildar who accompanied the deceased. When properly led by competent officers the Sikh is reliable and trustworthy; but when suddenly called upon to act upon his own initiative he is apt to lose his head.

Owing to local conditions and a general rise in wages in India, the pay of the Branch was raised approximately 7 per cent. from June 1. With the present high rate of exchange, conditions of pay are now very good and the service is undoubtedly attractive. Unfortunately very few recruits are available, only 25 men being enlisted during 1917 as against 42 in 1916. This is no doubt due to the increased pay in the Indian army and to the fact that labour battalions are being raised in India for work in various theatres of war.

The Police Gurdwara is now in a flourishing condition and is well managed.

For long and loyal service the Senior Jemadar, Buddha Singh, was granted the title of Sirdar Sahib by the Viceroy of India, the decoration being conferred on him by Sir Everard Fraser, K.C.M.G., H.M. Consul-General, on November 16.

The number of Indian watchmen under police supervision remains approximately the same as in 1916.

Arrangements are being made for a school for Indian children attached to the Thomas Hanbury School for Boys, and for an extension of the Police Hospital which will be available for all Indians in Shanghai with their women and children. The lack of Hospital accommodation has been a source of grievance to the Indian community for many years.

Following the introduction of a new Order in Council, it has been possible to remove a number of well-known undesirables from China. During the past three years Shanghai has been considered a haven of refuge for bad characters and the discipline of this branch of the Force has suffered to some extent from contact with them. With their deportation to India a great source of annoyance has been removed from Shanghai, and if Indians now realise that Shanghai is no longer a dumping ground for malcontents and political agitators the community in general will benefit considerably.

STRENGTH OF THE SIKH BRANCH.

On January 1.	Dismissed.	Resigned and Time expired.	Invalided.	Died.	Enlisted.	On December 31.
Police.						
1916 446	5	13	14	3	42	453
1917 453	3	31	8	0	26	437
Gaol.						
1916 118	4	8	4	0	16	118
1917 118	4	6	3	2	25	128

OFFENCES DEALT WITH.

Drunk on duty.	Drunk.	Asleep on duty.	Assault on Natives.	Insolent and Insubordinate Conduct.	Minor offences dealt with by fines
Police.					
1916 6	36	7	11	3	69
1917 3	34	5	19	6	49
Gaol.					
1916 0	1	2	9	3	26
1917 0	4	1	4	0	22

INDIAN WATCHMEN UNDER POLICE SUPERVISION.

At present under supervision.	Resigned.	Dismissed for misconduct.	Temporarily Employed.	Total
1916 175	13	55	38	281
1917 175	11	27	35	248

Chinese.—The authorised establishment of the Chinese Uniform Branch for 1917 was 91 Sergeants and 1,228 Constables. This strength has been maintained without difficulty during the year.

The work of the Branch has been rather above the usual standard. Eight men received special rewards for meritorious conduct in arresting robbers in possession of arms and 244 were rewarded with money or promotion for prompt action in the capture of burglars and other criminals. During the year one Constable was shot by armed robbers whilst in the execution of his duty, and subsequently died in hospital. Four men who were arrested in connection with this murder were found guilty and handed over to the Chinese Authorities for execution. Bicycle patrols armed with automatic pistols have been employed in the Sinza, Louza, Wayside and West Hongkew Districts during the year.

The discipline of the Branch has been good. The number of men dismissed the Force for serious offences and continued breach of regulations is below the average for the past four years. Minor offences have slightly increased, but this may be attributed to the shortage of outside Foreign supervision. The number of desertions has been considerably below that of last year.

Considerable improvement was shown in the Annual Musketry course : 32.9% of the armed men passed as marksmen or 1st class shots.

The health of the Branch has been good : 19 men were invalided and 8 died during the year. The daily average of men on the sick list has been 19.40 or 1.42% of the strength.

The demand for Chinese Watchmen under Police supervision continues. The number at present employed is 416, an increase of 134 during the year. On June 8 a Police watchman was shot dead by armed robbers whilst attempting to prevent their escape. Two men subsequently arrested were tried and handed over to the Chinese Authorities for execution. As the majority of these watchmen perform their duties in uniform and are widely distributed over the Settlement, they undoubtedly form a useful adjunct to the Police Force. Employment in this branch is keenly sought after and there are usually a number of suitable men waiting appointment. A list of candidates is kept by the Officer in charge of the Chinese Branch at the Central Police Station.

The following table shows the comparative strength of the whole Chinese Branch on December 31, 1916, and December 31, 1917, respectively.

Duties.	On Dec. 31, 1916.	Enlisted or engaged.	Transferred from other duties.	Dismissed	Invalided	Absconded	Resigned	Died	Transferred to other duties.	On Dec. 31, 1917.
Uniform	1,217	240	6	58	19	35	18	9	12	1,312
Detective	85	2	11	1			1	2	4	90
Clerical and Teaching	60	14		3			4			67
Subordinate	178	39		20		5	7	1		184
Totals	1,540	295	17	82	19	40	30	12	16	1,653

TRAINING DEPÔT.

Foreign.—The Foreign Staff consists of 1 Inspector and 1 Sergeant-Major.

War conditions have made it impossible to obtain recruits from Europe and no training was undertaken for this Branch of the Force throughout the year.

Japanese.—The 30 Japanese who arrived to join the Force at the end of 1916 were transferred for duty to the Hongkew and North Szechuen Road Stations on April 1. There was a good deal of sickness amongst the men whilst at the Depôt. One Sergeant was reduced to the rank of 1st Class Constable for misconduct ; with this exception the conduct of this Branch was entirely satisfactory. The Staff, for purposes of training, consists of the Foreign Staff assisted by a Police Interpreter.

Sikh.—The Staff consists of 1 Naik who acts as Instructor in Police Duties, etc., and 4 Drill Instructors under the supervision of the Foreign Staff.

On January 1 there were 11 Policemen and 6 Warders under training. During the year 26 Policemen and 25 Warders were taken on the strength. This is a decrease of 13 Policemen and an increase of 7 Warders over last year's figures. Four Warders were discharged as unlikely to become efficient. The health and conduct of recruits has been very good.

During the year 37 Policemen and Warders underwent a course of instruction on returning from long leave.

Chinese.—The Staff consists of 4 Drill Instructors and 1 Teacher, who acts as Instructor in Police duties, etc., under the supervision of the Foreign Staff.

On January 1 there were 20 recruits in training and during the year 246 were taken on the strength : an increase of 28 over last year's figures. Six were discharged as unlikely to become efficient and 2 were transferred to the Gaol as Warders. The health of the recruits has been good. Their conduct has also been very good.

CRIMINAL INVESTIGATION.

The actual strength on December 31 was :—

Foreign.—

- 1 Chief Detective Inspector.
- 3 Detective Inspectors.
- 4 Detective Sub-Inspectors.
- 20 Detective Sergeants (2 on war service).
- 4 Detective Constables (all on war service).
- 4 Japanese Interpreters.

Chinese.—

- 14 Detective Sergeants.
- 76 Detective Constables.
- 7 Clerks and Translators.
- 8 Interpreters.
- 2 Compositors.
- 1 Photographer.
- 6 Uniform Constables.

During the year 16 cases of murder and 1 of manslaughter, which involved the death of 23 persons, were investigated. Of these 23 persons, 3 were police officers who were shot by desperadoes while in the execution of their duty. In one instance the murderer committed suicide immediately afterwards. In connexion with these cases 45 persons were arrested, whilst 3 were arrested in connexion with murders committed in 1915 and 1916. The charges against 12 were dismissed, 8 were sentenced to various terms of imprisonment at the Municipal Gaol, 7 were expelled from the Settlement, 13 were remitted to the Court of the Military Governor and 8 at the end of the year were still awaiting trial. 6 of the 13 remitted to the Chinese Authorities have been executed. 9 men who were charged and convicted of crimes which occurred prior to January 1, 1917, were also executed in the presence of a representative of the Municipal Police, as also were 8 others who were sent over on charges of armed robbery committed during the year. This brings the total number of executions during the year for offences committed in the Settlement up to 23.

A marked decrease has to be recorded in the number of armed robberies. 102 were reported to the Police during the year 1917 as against 196 in 1916 and 109 in 1915. Reports of robberies committed by unarmed persons totalled 18 in 1917, against 25 in 1916 and 13 in 1915. The arrests made during the year in connexion with robberies totalled 186 against 287 in the previous year. 35 of the persons arrested were charged with crimes committed beyond Settlement limits and were remitted to the Chinese Authorities.

During the year 18 bomb explosions occurred in the Settlement and 9 persons were injured. 29 persons were arrested in connexion with bombs, following threatening letters, which were placed, or about to be placed, in various houses and establishments in the Settlement. 20 were convicted and sentenced to various terms of imprisonment in the Municipal Gaol. The charges against 9 were not sustained.

51 persons were arrested and convicted of running a form of lottery known as the Hua Hui as against 39 charged and convicted for the same offence during the year 1916, and 1,234 prostitutes were charged for soliciting in the streets.

The departmental photographer has taken 1,149 photographs and produced 5,393 copies during the year, and the Printing Office has been responsible for the issue of 355,107 circulars of various descriptions.

The following table of identification under the Finger Print system may be of interest :—

	Records to date.	Identifications made to date.
To December 31, 1910	9,811	2,335
" 1911	19,752	6,404
" 1912	28,167	11,104
" 1913	35,877	15,589
" 1914	46,318	19,665
" 1915	55,783	23,291
" 1916	65,307	26,855
" 1917	74,562	30,254

The Criminal Investigation Department still holds 391 Warrants for the arrest of persons who are wanted by the Chinese Authorities for criminal offences committed in territory under Chinese jurisdiction.

From January 1 to the end of the year the Criminal Investigation Department has issued Certificates to 763 Indian residents of Shanghai who have passed through the Finger Print Office for registration. 775 photographs have been printed and issued in connexion with permits for Indians leaving Shanghai.

No cargo has been reported lost or stolen during the year from amongst that in charge of the Wharf watchmen functioning under the Criminal Investigation Department.

As has constantly been the case since 1911 the activities of the Department have been closely connected with current politics in China. Every important political movement in China inevitably has its effect on Shanghai, and the danger to which the Settlement is exposed through the presence of political plotters and agitators is hardly understood as it should be. These men bring in their train a horde of adventurers who are well known as the offscourings of the professional revolutionary classes so much in evidence during the past six years. They are persons who have everything to gain by disorder, and it is they who keep the district in a state of turmoil and unrest and who swell the records of bomb outrages, robberies, murders and other forms of crime in the Settlement. Many of them are men of no mean ability. They are accustomed to the use of firearms and to the handling of explosives which they seem always able to procure; and they are ready at all times to serve any paymaster and to do any kind of dastardly work. The weapons they carry are mostly automatic pistols imported from Japan and elsewhere to arm participants in attempted local risings; and these weapons are now used by their owners to terrorise people they wish to rob and to kill or wound police and civilians in the event of pursuit.

It seems appropriate at this time to consider whether it is not possible, in conjunction with the Authorities of the French Settlement, to bring about the expulsion of all persons who have no ostensible means of livelihood and who cannot show that they have any legitimate business in this place. Right of asylum for bonâ fide political refugees is one question: indiscriminate protection for dangerous revolutionary riff-raff is quite another.

The following is a comparative return of reports received of property stolen within Settlement Limits shewing the number investigated with successful results :—

STATION	1915			1916			1917		
	Reports received	Reports investigated with successful results	Percentage	Reports received	Reports investigated with successful results	Percentage	Reports received	Reports investigated with successful results	Percentage
Central	457	174	38	566	149	26	529	214	40
Louza	942	408	43	1,016	388	38	910	382	41
Hongkew	870	235	27	982	238	24	879	234	27
West Hongkew	501	180	35	440	182	41	422	160	38
N. Szechuen Road	89	25	28	98	29	30	109	66	60
Wayside	176	104	60	170	87	51	131	71	54
Harbin Road	164	70	49	174	100	57	113	57	50
Yangtzepoo	120	44	36	124	58	47	173	81	47
Sinza	674	126	18	807	160	20	634	96	15
Gordon Road	52	17	33	45	12	27	36	11	31
Bubbling Well	188	22	12	200	35	18	188	59	31
Totals	4,233	1,405	33	4,622	1,438	31	4,124	1,431	35

TRAFFIC AND VEHICLE INSPECTION.

The strength of the Traffic Staff on December 31 was 1 Inspector, 2 Sub-Inspectors, 10 Foreign Sergeants and Constables, 100 Sikhs, 209 Chinese Sergeants and Constables and 2 Interpreters.

The funeral procession of the late Sheng Kung Pao on November 18, from his residence at 110 Bubbling Well Road to Frenchtown via Nanking Road, Kwangse Road, Foochow Road and the Bund, was the largest ever seen in Shanghai. Its length was about $3\frac{1}{2}$ miles and it took $2\frac{1}{2}$ hours to pass any point. From end to end the route was densely crowded with sightseers, many thousands of whom had flocked into Shanghai the day before on foot, by boat and by train. It is estimated that not less than half a million people were present. Nearly 400 police were specially employed and performed their duties effectively under the most trying and difficult conditions. Throughout the day there was no serious accident or disorder of any kind.

The utility of Avenue Edward VII as a thoroughfare suitable for fast traffic has not yet reached expectations. The chief reason for this is the inherent tendency of the Chinese public to wander on foot in the middle of the roadway. This is admittedly a matter for police control and it may therefore be well to point out some of the factors which make adequate Police control difficult. In the first place the overcrowded hovels bordering this road house a population of the lowest class whose manners and occupations unfit them for residence in this locality. Before the Yangkingpang was culverted they lived under conditions of squalor which render them unable now to accommodate themselves to the respectability of a first class thoroughfare. Secondly, many pedestrians walk on the macadamised road owing to the non-continuous and incomplete foot-paths. Some portions of the road do not possess a footpath at all. Thirdly, on account of the winding nature of the road there is an inevitable tendency to take short cuts even where good footpaths exist. Fourthly, the road is under dual Police control, north of the centre line being under the Municipal Police and south under the French Police. Fifthly, owing to war conditions there is lack of Foreign Police supervision as a result of which the traffic control on the road is left in the hands of Sikh and Chinese Constables. While these men are constantly and thoroughly instructed in their duties before going to their posts, this lack of constant foreign supervision undoubtedly has an effect on the good work of those on duty. All of these conditions, however, will improve with time, and the laying of a wheelbarrow track along the entire road will materially assist in dividing the slow from the fast traffic.

After due experiment, all police on point duty are now provided with traffic batons for controlling coolies in charge of vehicles. Years of experience have proved that these men obey police signals not so much from any respect for the law as from the fear of consequences to themselves if they do not. The traffic baton serves as an outward and visible emblem of the physical force behind the law.

Further improvement is to be noticed in the regulation of cross traffic on Nanking Road. The system introduced last year has been successful, and with the assistance of the driving public the difficulties, experienced at first are being overcome.

The provision of a motorcar for the use of the Traffic Department has materially conduced to the efficient performance of their duties by the greatly reduced Staff.

New regulations in regard to the use of motorcar head-lamps were promulgated in Notification No. 2442 published in the Municipal Gazette of April 19 last; and a Police memorandum amplifying these regulations and dealing somewhat fully with the whole question of headlamps was issued to all motorcar owners on June 20.

The quarterly average of motor vehicles licensed during the year was 905, an increase of 34% over the average of 673 for the preceding year.

The increase in the number of motor vans and lorries for commercial purposes is also considerable, notwithstanding the cheapness of Chinese hand labour for haulage. The highest number of public cars licensed for the year was 97.

On December 31 there were 1,181 chauffeurs registered in the Settlement as against 872 for the preceding year, making an increase of 35% . Besides these there are a considerable number licensed by the French Police who do not hold permits in this Settlement.

The number of prosecutions in the Mixed Court appears large, but the majority of them are for minor offences. One chauffeur was sentenced to three months' imprisonment for reckless driving which was afterwards commuted to a fine of \$500. Another was sentenced to three months' imprisonment and fined \$300 for manslaughter.

In April an attempt to strike was made by the chauffeurs at one of the foreign garages, which was promptly and effectively dealt with by the suspension of the permits of all the men concerned. When they discovered what steps had been taken against them they were ready enough to return to work, but this was not permitted and the strikers were compelled to remain out of work until their suspension expired.

The frequent change of employment amongst chauffeurs is remarkable, averaging 82 a month. This entails much work for the Police and a certain amount of expense which at present is borne by the public. When the new Traffic Byelaws come into force a fee for permits will be charged which, besides being a small source of revenue, will perhaps have a steadying effect on the many chauffeurs who do not seem able to keep a position for more than a few days at a time.

It may again be pointed out that Chinese chauffeurs in Shanghai are as a class paid at an unduly high rate for the knowledge they possess and the work they perform.

The following comparative table gives particulars regarding chauffeurs for 1916 and 1917 :—

	1916.	1917.
Convictions	296	439
Permits cancelled	5	1
Permits suspended	25	46
Chauffeurs examined and passed	155	275
Chauffeurs examined and failed	39	63
Learners permits issued (owners)	84	167
Learners permits issued (chauffeurs)	126	258
Changes of employment	—	986
Total number of chauffeurs	872	1181

There are now 240 public carriages as against 269 for last year, the cheapness and popularity of the motorcar being responsible for the continued decrease. Livery stables are inspected by two Foreign Sergeants who have made 62 night and early morning visits and 417 day visits during the year. The total number of livery stables is 82, as against 85 for 1916.

The number of public rishas at present licensed is 8,000, which has been found ample for existing requirements. Labour emigration to Europe and the Near East is adversely affecting the supply of rishas coolies, and owners complain that a large percentage of their vehicles are kept unemployed owing to their inability to find coolies to pull them.

There are now 15 Tram routes in operation, an additional one having been inaugurated from Bund South to Markham Road. The Company's rolling stock consists of 90 tramcars, 70 trailers and 7 railless cars. The number of passengers carried for 1917 was 73,461,492 as against 69,089,432 for 1916, an increase of 4,372,060.

There were 28 people killed and 552 injured as the result of street accidents caused by horse or vehicle, which includes 5 persons killed and 99 persons injured by improperly getting on or off tramcars in motion. It will be seen from the table given below that these figures compare very favourably with those for the preceding year notwithstanding the large increase in motor traffic and population.

ACCIDENTS 1917.

	Foreigners.		Chinese.	
	Killed.	Injured.	Killed.	Injured.
<i>Due to :—</i>				
Tram Cars			10	190
Motor Cars				
and Cycles		12	14	220
Carriages		3		35
Fire Trucks				2
Carts			2	53
Bicycles				9
Runaways and				
Led ponies		2	2	14
Rishas and				
barrows		1		26
Total for 1917		18	28	534
Total for 1916		13	27	526

MOUNTED BRANCH.

The strength on December 31 was as follows :—

- 1 Trooper Inspector
- 1 Foreign Acting Sergeant
- 1 Sikh Trooper Havildar
- 26 Sikh Troopers.

The stud consists of 7 horses and 36 ponies. Owing to the kindness of certain residents in presenting animals to the Police it has not been necessary to purchase any remounts during the year. For various reasons 11 animals were cast. The health of the animals was well maintained. Eighteen cases of sickness have been treated in the Police stables and six cases by the Veterinary Surgeons. The cost of veterinary service for the year was \$104.11. Forage has been plentiful and prices moderate. The cost of the stud including forage, shoeing, clipping, mafoos' wages, veterinary expenses, etc., has averaged \$15 per animal per month. During the year 10 escorts and 19 special service parties were furnished.

The whole of the mounted staff have carried out their duties efficiently and well. Riding and troop drill has received the usual attention.

The following is a list of animals presented during the year :—

<i>Name.</i>	<i>By Whom presented.</i>	<i>Date.</i>	
"Ivanhoe"	H. C. Gulland, Esq.	February	4
"The Trader"	G. D. Coutts, Esq.	February	16
"Gambia"	N. W. Hickling, Esq.	March	23
"Cardington"	Zih Yuen Sze, Esq.	April	4
"Concession"	K. J. McEuen, Esq.	April	13
"Resilient"	F. W. Potter, Esq.	April	30
"Plum"	O. M. Green, Esq.	May	2
"Sungari"	R. E. Toeg, Esq.	May	3
"Bletsoe"	E. R. Hooper, Esq.	May	18
"Perchance"	R. N. Macleod, Esq.	May	29
"Swarm"	Miss S. S. Benjamin	June	7
"Jimmie"	C. Rayner, Esq.	June	26
"Mystery"	R. S. F. McBain, Esq.	July	16
"Nibs"	E. White, Esq.	September	17
"Peace"	C. R. Burkill, Esq.	November	23
"Spotted"	H. E. Lindsay, Esq.	December	4

MUSKETRY.

There has been a considerable improvement in the shooting of the Foreign and Sikh Branches as compared with the results of the last two years. It is hoped to get increased efficiency in snap-shooting by giving more attention to the Running and Bobbing Man practices during the coming year.

The results obtained by the Japanese Branch are very satisfactory, particularly as most of the men have had no previous rifle training. At deliberate practices they are distinctly above the average and their range discipline is excellent.

In the case of the Chinese, who are armed with single loading M. H. carbines, it is difficult to get good shooting on account of the arms being old and the barrels badly worn. Partly for this reason it is proposed in future to limit most of the musketry practice by the Chinese Branch to a range of 50 yards.

The new Revolver Range at the Gordon Road Training Depot was opened on June 21. This is an enclosed range and permits of pistol and miniature rifle practice in all weathers. Hitherto, facilities for pistol practice have been limited and the standard of shooting has in consequence been none too high.

During the past year 4,781 rifle, revolver and automatic pistol practices have been fired by members of the Force.

GAOL.

Staff.—The services of Warders Champney and Miles terminated on January 5. Warder Overson was transferred from the Police Force to the Gaol Staff on January 13.

Of the 7 warders who volunteered for War Service Warder Alderson was killed in action as already reported; Warder Reuter was wounded, necessitating the amputation of a leg; Warder Grant received

a wound in the head but is making a good recovery ; Warder Buckingham has sustained the loss of an eye as the result of an accident whilst doing duty with the R.A.M. Corps. Warders Reynolds and Chamberlain have come through so far unharmed.

The conduct of the foreign staff remaining has been good and they have performed the many extra duties devolving on them by reason of the shortage in staff, well and cheerfully.

Indian Staff.—There has been a noticeable improvement in the general conduct of this branch of the staff. Their health was not so good as in 1916, but there was less sickness towards the close of the year. Two warders died during the year.

Convicts.—The following table shows the lowest and highest number of convicts in the Gaol during each month of the year :—

<i>Month.</i>	<i>Lowest Number.</i>	<i>Highest Number.</i>
January	1,509	1,625
February	1,593	1,702
March	1,708	1,803
April	1,787	1,879
May	1,854	1,898
June	1,819	1,895
July	1,811	1,870
August	1,786	1,809
September	1,772	1,803
October	1,740	1,776
November	1,729	1,781
December	1,754	1,788

The health of the convicts was not so good as in 1916. Epidemics of Beri-beri and Tuberculosis were responsible for a heavy death rate during the month of October. Enquiry showed that there was also an epidemic of Beri-beri at the French Municipal Gaol during the same period. It is probable that the disease was prevalent in the poorer districts bordering the Settlement which are infested by the criminal classes, and that prisoners had the germ of Beri-beri in their constitutions prior to arrest and conviction. Tuberculosis is not contracted in the Gaol. Many new prisoners are found to be suffering from it and are isolated from the day of their admission. The wretched physical condition of the majority of prisoners on admission to the Gaol leads one to suppose that they are driven to petty crime owing to their physical inability to make a living by honest work. Were it not for the care and vigilance exercised by the Medical Officer the death rate would be very high indeed.

Buildings.—The building of the two new cell blocks designed to accommodate 960 convicts was commenced in February, and should be completed and ready for occupation in March 1918. One large workshop was converted into temporary cells to meet the large increase in the number of convicts in March and April as shown in the above return.

A large and well equipped infirmary is urgently required to take the place of the existing hospital which was built when the Gaol was first planned and which is quite inadequate for present day needs.

Convict Labour.—The making of coir mats and matting, which is one of the best forms of labour for convicts, was at a standstill for the greater part of the year owing to supplies of coir yarn from India being unobtainable. A consignment was received early in December and this department will be kept busy for some considerable time in dealing with old orders which had accumulated during the months of inactivity.

The Sundries and Clothing Department has been very busy during the year owing to an increase of orders from Municipal Departments. A gradual decline in sales to the public has been noticeable ever since the outbreak of war.

The delivery of printing machinery was completed on January 26. Although this new departure for utilizing convict labour is as yet in its infancy, it has already proved successful in supplying the simpler forms of printed stationery to Municipal Departments.

Reformatory.—Increased attention to discipline given by the Chinese instructors together with the infliction of longer sentences on youthful offenders by the Mixed Court has produced improved results.

There has been a gradual increase in the number of boys during the year as the following figures will show :—

Month.	Lowest Number.	Highest Number.
January	38	44
February	39	44
March	40	51
April	49	52
May	52	59
June	57	65
July	65	69
August	60	65
September	62	66
October	64	67
November	64	72
December	70	72

The conduct and health of the boys has been uniformly good. A higher standard of proficiency in work, drill, studies and general deportment has been obtained than ever before. This may be ascribed to there being a higher percentage of boys sent for comparatively long terms. The boy sentenced to a short term seldom makes any attempt to learn or to render himself amenable to discipline.

The Chinese Y.M.C.A. has continued its work of teaching on two afternoons each week and the holding of services on Sundays. The Director of Chinese Studies now supplies a Chinese teacher to carry the education of the boys still further, and generally supervises the educational side of the Reformatory work.

The highest number of prisoners in the Gaol during 1917 was 1,898 and the lowest 1,509. In the Reformatory the figures were 72 and 38. The motor prison van performed efficient service and covered 3,616.50 miles during the year. The number of convicts conveyed in this vehicle was 4,925 at a cost of Tls. 0.447 per convict.

	Gaol	Reformatory
Number of prisoners on January 1, 1917	1,522	40
Admitted during the year	3,733	85
Re-admitted	142	16
Total passing through	5,397	141
Discharged time expired	3,052	51
" on doctor's recommendation	2	
" by order of Court	11	
" on remission of sentence	310	2
" on payment of fine	10	
Died	104	
Transferred to station cells	77	6
" Hospital	65	10
Handed over to Chinese Authorities	5	
In Hospital	13	
In Gaol and Reformatory January 1, 1918	1,748	72
	5,397	141
Daily average for 1917	1,770.68	58.10
Assisted on release by order of Court		15
" " on Gaol application to Court		3
	In Gaol January 1	Admitted during the year
Gaol	1,522	3,733
Reformatory	40	85
		In Gaol December 31
		72

Localities claimed by prisoners.

	Gaol	Reformatory
Shanghai	334	6
Pootung	199	5
Nanzhang	22	1
Sungkiang	64	1
Nanking	111	1
Chinkiang	109	
Kiangpei	524	29
Soochow	262	4
Woosieh	107	4
Ningpo	476	11
Hupei	92	1
Canton	86	1
Foochow	18	1
Tientsin	13	
Kiangsi	19	
Anhui	112	1
Other places	1,182	19
Foreigners	3	
	3,733	85

MIXED COURT.

No change took place in the administration of the Mixed Court despite frequent articles in the Chinese Press to the effect that an early rendition of the Court to the Chinese Authorities had been decided upon. The Commissioner for Foreign Affairs made an unsuccessful attempt to assert control over the Court by issuing instructions to the Magistrates in connexion with matters concerning enemy subjects. There is still much room for improvement in the working of the Court, though each year the scope for reform grows less. It is safe to assume that the chaotic conditions which obtained prior to the Revolution would never again be tolerated by either Foreign or Chinese residents of the Settlement. Rendition, if it ever takes place, will doubtless only be permitted under such conditions as will make retrogression impossible.

The declaration of war by China against Germany and Austria-Hungary automatically abolished the extra-territorial rights formerly enjoyed by the subjects of those two countries and placed those residing in the Settlement under the jurisdiction of the Mixed Court. The Court has already been called upon to try persons of both nationalities on such serious criminal charges as Murder, Armed Burglary and Embezzlement. In addition to criminal and civil cases the Court has had to deal with a large number of applications regarding the disposal of enemy property within the Settlement. The most important of these had reference to the premises formerly occupied by the Deutsche-Asiatische Bank, the German Consulate, the Austro-Hungarian Consulate, the German Post Office, the Club Concordia and the offices of the German newspapers situated at 33 Nanking Road.

In one of the Registrar's monthly reports the methods of the "Lawyer's Tout" were explained. The knowledge was obtained by piecing together many scraps of information received by the Registrar and his Staff over a considerable period. These touts infest the precincts of the Court, attempt to suborn its officers and unmercifully fleece litigants. Evidence subsequently given at the trial of one of them showed to what extent the toutting system had become connected with the practice of law in this Court. Another glaring case occupied the Court's attention at the close of the year. Warnings against dealing with touts have been posted at the Court and are published by the Court from time to time in the Chinese Press. If the Chinese public would heed these warnings and insist on dealing direct with lawyers, this toutting, which is nothing more than impudent robbery so far as the public is concerned, could be stopped. The registration by the Court of lawyers' interpreters and clerks together with the deposit of a substantial cash guarantee with the Court, would also go far to put an end to the abuse.

The hopes expressed in the report for 1916 of relief for the congested state of the Criminal, Foreign and Chinese Civil Hearing Lists were not realised. This was due mainly to want of accommodation owing

to the altering and renovating of all four court-rooms. In addition to this, pressure of Consular work prevented the regular attendance of assessors, and additional work was thrown on the Court by reason of its taking jurisdiction over enemy subjects on China's declaration of war.

A general idea of the amount of work performed during the past year may be gathered from the following return of sessions held. The figures for 1916 are given for purpose of comparison :—

	1917.	1916.
Ordinary Criminal Sessions	559	593
Special Criminal Sessions	285	327
Sessions for Foreign Civil Cases	105	130
Sessions for Chinese Civil Cases	276	297
	<u>1,225</u>	<u>1,347</u>

The Foreign Staff consisted of :—

- 1 Assistant Superintendent of Police as Registrar
- 1 Inspector
- 1 Sub-Inspector
- 8 Sergeants
- 1 Constable.

There were 13 foreigners unrecognised by any Consulate before the Court during the year. Thirty-three subjects of countries at war with China also appeared before the Court.

The total number of persons coming before the Court during the year on criminal charges was 59,613, being an increase of 19,384 over the figures for the previous year.

The following table shows variations for the year 1917 compared with 1916 :—

<i>Offence.</i>	1916.	1917.	<i>Increase.</i>	<i>Decrease.</i>
Abduction	122	106		16
Assault	462	470	8	
Intimidation	95	22		73
Murder	15	29	14	
Causing grievous bodily harm	23	42	19	
Burglary	184	187	3	
Cruelty to Animals	147	135		12
Fraud	55	100	45	
Larceny	2,976	2,869		107
Malicious Damage	36	19		17
Robbery	282	207		75
Carriage	341	423	82	
Dog	268	213		55
Foodshop	60	87	27	
Hawkers	637	1,136	499	
Opium	257	227		30
Ricsha	18,741	28,027	9,286	
Wheelbarrow	2,283	1,941		342
House Refuse	1,292	2,083	791	
Lotteries	150	67		83
Nuisance	6,709	14,303	7,594	
Traffic	741	1,156	415	
Disorderly Conduct	706	755	49	
Gambling	541	602	61	
Loitering	239	295	56	

One hundred and forty-five persons were handed over to the Chinese Authorities for trial or execution on the charges given below :—

Arms	7
Attempted Suicide	5
Bomb throwing	1
Burglary	1
Coin, uttering counterfeit	1
Embezzlement	2
Extortion	4
False Pretences	1
Fraud	3
Husband and Wife	1
Insanity	3
Abduction	3
Larceny	22
Manslaughter	1
Murder	9
Receiving Stolen Property	1
Robbery	67
Stray Children	1
Trafficking in Women and Children	6
Unlawful possession	6

Assessors.—The Assessors in Police cases during the year were as follows :—

British.—Messrs. P. Grant Jones and G. P. Byrne.

American.—Messrs. M. F. Perkins and A. Krisel. During the absence of Mr. Krisel on long leave—August 10, 1916, to March 13, 1917—his place was taken by Mr. S. Sokobin. Mr. C. J. Spiker sat as American Assessor on several occasions during the year.

The German Assessors who had always sat to try cases each Saturday ceased to attend from March 23 owing to China breaking off diplomatic relations with Germany. Messrs. G. Ros and K. Hayashide were elected by the Consular Body to fill the vacancies.

Magistrates.—Messrs. Kuan Chun, Wong Chia Hsi, and Yü Ying Vong sat throughout the year.

The Court sustained a heavy loss by the death of Mr. Waung Tuh Chi which occurred on November 29.

Mr. Li Hsu Mei who previously had been an assistant Magistrate was re-appointed on December 1.

Mr. Nieh, Magistrate of the French Mixed Court, continued to assist by sitting once a week.

Chinese Civil Cases.—1,370 cases were heard, a decrease of 497 over the previous year. The number of petitions filed requiring a hearing was 1,017. Those filed for the purposes of record numbered 500. The number awaiting a first hearing on December 31 was 308, an increase of 2.

The Summer Vacation lasted from July 15 to September 15.

The following Assessors sat in Chinese Civil Cases for various periods during the year :—

Messrs. Grant Jones, Perkins, Ros and Byrne.

If the rumoured appointment of an additional Magistrate and Assessor eventuates rapid progress can be looked for in 1918 in the long list of civil cases now awaiting hearing.

Foreign Civil Cases.—There were 337 cases filed during the year, being an increase of 99 over 1916. Of these 98 were withdrawn before becoming due for hearing. It is to be hoped that the period these cases have to stand in the waiting list will be materially reduced in 1918.

The old type of warrant and summons printed in Chinese on flimsy paper was discarded, and forms, neatly printed on stout paper, in English and Chinese have been substituted. This improvement has proved a great boon to the police and to other officers of the Court.

Chinese Authorities.—Armed robbers sent to the Arsenal Authorities for execution have again been transferred by the Arsenal Authorities to the City Court where they have either been sentenced to terms of

imprisonment or held for an indefinite period in the City Gaol for the purpose of a second trial by the City Court. Attempts to have them returned to this Settlement have so far failed. X

Relations between the Mixed Court and the Chinese Authorities have on the whole been good except when attempts have been made by Chinese officials to treat the Mixed Court as under their control instead of under that of the Consular Body. X

Security Office.—4 persons were before the Court during the year charged with attempting to file fraudulent security bonds as against 8 in 1916.

House of Detention.—At the end of the year there were 70 persons under detention as against 76 at the end of 1916. During the year 360 persons were committed and 366 released. The number of persons under detention has not varied greatly in past years despite the release of many who it was obvious to the Court were totally without means to meet their creditors. The health of those under detention was excellent, and may be attributed to the vastly improved sanitary condition of the Court compound.

Women's Prison.—On December 31 there were 80 prisoners in custody as against 61 on the last day of 1916. During the year the total number of prisoners received into the cells was 551. The remarks regarding health of inmates of House of Detention applies equally to the Women's Prison.

Buildings.—The work of renovating all 4 courtrooms with the offices attached to them was completed in November. The result obtained has received the unanimous approval of all whose business takes them to the Mixed Court.

+*Appeal List.*—There were at the end of the year, awaiting the formation of an Appeal Court, 60 Chinese Civil cases involving a sum of Tls. 367,526 and \$53,523. The number of Foreign Civil cases on the Appeal List stands the same as at the conclusion of 1916. X

RETURN OF FOREIGN CIVIL CASES FOR 1917.

NATIONALITY	Cases filed.	Withdrawn or Postponed	In Course of Hearing.	Unable to Locate.	Heard or Settled.
American	44	18	12	11	3
Austrian	7	2	2	1	2
British	206	54	12	65	75
Brazilian	1				1
Danish	1		1		
German	13	2	4	5	2
Italian	13	5	2	1	5
Japanese	31	8	5	9	9
Netherlands	1				1
Norwegian	2	1		1	
Portuguese	4		1	1	2
Spanish	14	8	1		5
Total	337	98	40	94	105

FOREIGN CIVIL CASES.

Warrants issued	57
" executed	17
" withdrawn	13
Summonses issued	319
" served	183
" withdrawn	59
Persons apprehended on Warrants	17
" summoned	192
Sealing orders issued	1,016
" " executed	166
" " not executed (claim settled)	524
" " withdrawn	75
" " pending on December 31, 1917	24
Reopening orders executed	128
Ejectment	—

CHINESE CIVIL CASES.

Petitions filed requiring a hearing by Court	1,017
" " of a miscellaneous nature	500
" rejected	—
Cases added to hearing list	810
" heard	1,370
" in course of hearing	—
" concluded	823
" awaiting first hearing on December 31	308
Summonses issued	1,000
" served	882
" withdrawn	56
Warrants issued	564
" executed	312
" withdrawn	104
Persons arrested on warrant	329
" summoned	948
" failed to appear on first summons	666
Sealing orders issued	347
" " executed	103
" " not executed (claim settled)	165
" " withdrawn	22
Sealing orders pending on December 31	Nil
Reopening Orders executed	93

SECURITY BONDS.

Persons ordered to find security	1,001
Bonds accepted	769
Bonds rejected	183

GENERAL REMARKS.

The reports of the Captain-Superintendent of Police published in the Gazette each month, together with the detailed information already given under various headings in this report, form so full a record of Police work during the past year that little of a general nature remains to be said.

From the time it commenced in September, the registration of German and Austro-Hungarian residents by the Police, and the subsequent weekly check of their permits, has on the whole proceeded smoothly and without difficulty. It need hardly be said that the scheme has thrown a considerable amount of extra work on the Force. At the end of the year the total number of persons registered was 1,497.

For many years past the only means at the disposal of the Police for conveying to hospital persons taken ill or seriously injured in the streets have been the wheeled ambulances kept at all Stations. While these vehicles are suitable in some cases in the town districts, unnecessary suffering and possibly loss of life has been caused owing to the time of transit between outlying parts of the Settlement and the hospital. During 1917, the first Police Motor Ambulance was introduced—a locally built body on a reinforced Ford chassis—and has already proved its value.

The marked decrease in the number of armed robberies referred to under "Criminal Investigation" is undoubtedly due to the stringent methods of police surveillance and search put into force in the early part of the year. This duty is admittedly arduous and difficult, and it is most uncongenial to those employed on it; but results justify its continuance at all events until more settled political conditions obtain in this part of China. The number of persons searched for arms in the streets, whether on foot or in vehicles, amounts to about 7,000 nightly or well over two millions in the course of the year. Very few complaints against the Police are received in connexion with this work and it is greatly to the credit of the best class of Chinese residents that they submit patiently to the discomfort and sometimes to the indignity of the process in the knowledge that the Police are acting solely for the good of the community at large. The regrettable deaths of Sergeant C. Hamilton and of two Chinese Constables, who were killed by armed desperadoes in the streets, serve once again to show to what dangers the Police engaged in the suppression of serious crime in Shanghai are exposed.

K. J. McEuen,

Captain Superintendent of Police.

I.—GENERAL RETURN OF THE ACTION OF THE POLICE.

	Foreigners.	Chinese.	Remarks.
Persons apprehended	726	100,029	
Persons apprehended and not charged	411	42,689	
Persons apprehended and charged	315	57,340	*2 transferred to Higher
Criminal offences reported by Civilians to Police within Settlement Limits	716	3,618	Courts outside Shanghai.
Persons discharged by Magistrates	49	924	Decisions not yet notified.
Persons summarily convicted	286	56,321	1 under remand.
Persons committed for trial or sent to higher Courts	*10	†95	†91 transferred to Chinese
Persons convicted and sentenced by higher Courts	6	4	Authorities. Decisions not
Persons acquitted by higher Courts	1		yet notified.
Persons apprehended for felony or larceny	†51	4,107	†3 transferred to Courts
Persons acquitted by higher Courts of felony or larceny	1		outside Shanghai. Deci-
Persons summarily convicted of felony or larceny	25	3,441	sions not yet notified.
Persons discharged for felony or larceny	22	436	
Total Value of property reported stolen or lost within Settlement limits			\$525,247.12
Total Value of property recovered			\$175,107.24
Net loss			\$350,139.88
Number of Police commended by Judicial Authorities in criminal cases	1	2	
Persons handed over to Authorities of other places for criminal offences	3	182	
Persons received from Authorities of other places for criminal offences		46	
Persons apprehended by Criminal Investigation Branch for criminal offences	13	2,445	
Persons reported missing within Settlement Limits	1	1,072	
Persons found and restored to relatives or friends by Police	1	547	
Persons found by friends or returned home	1	222	
Suicides committed	2	29	
Suicides attempted and prevented by Police, etc.	2	40	
Hotel and Restaurant keepers summoned and convicted	5	73	
Hotel and Restaurant keepers summoned and dismissed		5	
Drivers, etc. of vehicles arrested or summoned and convicted	5	6,938	
Drivers, etc. of vehicles arrested or summoned and dismissed		40	
Persons arrested or summoned for miscellaneous offences and convicted	214	30,159	
Persons arrested or summoned for miscellaneous offences and dismissed	19	317	
Doors and/or windows found open or insecurely fastened	1	346	
Houses empty or with no person in charge entered by thieves		47	
Persons conveyed by prison van	2	3,401	
Police attending Courts, Inquests, etc.	3,471	10,246	Sikhs 2,864, Japanese 77
Persons escorted through the Settlement to and from other places		3,007	
Police engaged in such service		541	
Runaway horses and/or ponies stopped			50
Accidents reported within Settlement limits			1,414
Accidents where persons were injured	20	635	
Accidents where death ensued		65	
Dogs seized by Police			2,974
Dogs shot by Police or destroyed at kennels			3,042
Dogs sent to Kennels			2,216
Dogs restored to owners			758
Dogs escaped or died			
Dogs killed and afterwards certified to be suffering from rabies			5
Dogs killed certified not to have suffered from rabies			28
Cases reported in which persons have been bitten by dogs certified to be } suffering from rabies	2	6	
Ditto. not suspected to be suffering from rabies	4	64	

II.—RETURN OF FOREIGNERS AND CHINESE ARRESTED AND NOT CHARGED.

OFFENCES	Jan.		Feb.		Mar.		Apr.		May		June		July		Aug.		Sept.		Oct.		Nov.		Dec.		Total		
	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	P.	C.	
Arson (or criminal negligence)								1						5	5											11	
Assault	3	54	2	63	11	82	8	62	7	107	8	88	15	100	6	111	4	68	3	112	6	87	5	47	78	981	
Arms, supplying of																								1		1	
Begging, Hawking and Ragpicking		1561		2114		2462		2816		3192		2382		2805		2454		2570		2693		3870		3461		32,392	
Breach of Municipal Regulations, Garbage								1		1				2							1					5	
" " " Traffic		31		47		36	4	56	2	80	1	46	2	73		62	2	63		60	2	33		36	13	623	
" " " Nuisance		7		10		5		17		1		13	1	14	1	11		19		10		7		11	1	125	
" " " Miscellaneous		14		28	2	19		17		25	3	24		32	1	38		31		19		34		26	6	307	
Burglary								1		1						1					3		1			7	
Causing grievous bodily harm								1						4		1		2			2					10	
Children, trafficking, etc.		1		12		4		3		1		4		1		4		1			5		1			37	
Coining				1				2				1		1		1		2			1		1			9	
Civil offences		17		3		6		3		18		6		8		6		3	6	9		3		5	6	87	
Cruelty to animals		15		9		9		13		17		28		13		15		15		9		13		14		165	
" children																1		1								2	
Demanding money by threats		6		4		11		7		5		4	1	1		1		19		7		5		5	1	75	
Disorderly conduct	4	160	5	157	2	212	13	241	2	157	5	223	4	319	6	292	3	214	3	182	20	185	12	247	79	2,589	
Drunkenness	16	4	7	7	4	7	14	8	8	4	10	5	11	3	13	1	9	2	8	2	17	9	15	12	132	64	
Embezzlement				1		1										2	1	1		2			1	1		8	
Expulsion, returning after		3		1		4		1		1											1					11	
False pretences, obtaining goods and money under				6		5				2		2		1		3		2		2		1		4		28	
Forgery		1														1										2	
Fraud		1		3				3	2	9		1				6		7		2		5		1	2	38	
Gambling		3		4		27		5		2		1		2		10		1		3		1		3		62	
House breaking		1				1													1							3	
Illegal arrest														1												1	
Kidnapping		8		10		6		11		10		15		13		6		15		13		11		6		124	
Larceny	1	144	2	138	2	169		172		194		160		181		208		174		141		141		2	177	7	1,999
Loitering		17		30		26		28		56		16		19		29		41		15		14		25		316	
Malicious damage	1	12		24		26	6	27	1	42	1	15	1	20	1	16	4	17	1	9	2	8	3	15	21	231	
Murder														1		1				1						3	
Prostitution (soliciting)		2		3		1		2		7		1		5		2		3		5		3		4		38	
Rape						1																				1	
Receiving stolen property										1				2								1		3		7	
Robbery		1		2		2		1				1		1		2		2		2		2		2		18	
Stray children		24		29		49		66		24		43		29		31		30		20		36		14		395	
Suicide (attempted)		1				1						2		3		3		1				2				16	
Miscellaneous cases	2	78		65		80	3	71	2	93	3	91	1	92	8	86	6	78	2	92	3	123	4	69	34	1,018	
Ricsha licences suspended		1,189		1,502		1,740		1,406		1,212		971		433		1,320		1,184		1,164		1,488		1,006			14,625
" " confiscated		522		1,183		976		608		1,461		538		984		694		1,315		534		699		492			10,004
Handcart " suspended								1																		1	
" " confiscated						2																5				7	

III.—RETURN OF FOREIGNERS APPREHENDED AND CHARGED.

OFFENCES.	January	February	March	April	May	June	July	August	September	October	November	December	Total
(1) <i>Offences against the person :—</i>													
Absent from ship without leave										2			2
Assault		2			2	3	4	3	3	4	4		25
Causing grievous bodily harm				3			1						4
Deserters	1				1								2
Evading Military duty	1												1
Murder								1		1			2
Sodomy								1					1
Suicide, attempted				1									1
Uttering threats and menaces				1						1	1		3
(2) <i>Offences against property :—</i>													
Cruelty to animals												1	1
Embezzlement	1							1		1		1	4
False pretences								1			1		2
Forgery										3			3
Fraud	1												1
Larceny		2		2	2	1	1	1		1	8		18
Malicious damage					1								1
Robbery									1				1
(3) <i>Offences of a public nature :—</i>													
Breach of Licensing Bye-Law or of Licence Conditions :—													
Dog	1		4	4	7	10	11	6	9	1	3	2	58
Laundry								1					1
Motor Car		1			2					1			4
Restaurant										2		1	3
Tavern									1				1
Breach of Municipal Bye-laws and Regulations :—													
Arms and Fire-arms				1		2	1			1	3		8
Dangerous materials, storing of					1								1
House Refuse				1	2	2							12
Nuisance							1	3			1	1	6
Traffic							1	2	1		1		5
Aiding and abetting								1					1
Being an idle and disorderly person				1									1
Breach of neutrality						1							1
Coin, Uttering counterfeit									1				1
Conspiracy to commit a burglary									8				8
Defence of the Realm Act					1								1
Demanding money by threats					1								1
Disorderly conduct				1			2	4	2	1			10
Drunk, disorderly and assault, etc.	9	2	8	6	5	7	5	4	6	6	4	6	68
Failing to register										1		1	2
Failing to return Military accoutrements to the Shanghai Municipal Council									1				1
Found on enclosed premises for an unlawful purpose				1	1	1							3
Keeping a place of public entertainment without a license											1		1
Obstruction										1			1
Refusing to pay legal fare									1				1
Rescuing a prisoner from custody						1							1
Riding a bicycle after sunset without a light						3	3			1		1	8
Smuggling opium and/or in possession of smuggled opium			2			1		1	4		3	2	13
Soliciting alms							1						1
The China (British) Order in Council 1917.						6	1			2			9
Undesirable alien and a menace to the peace and good order of the Settlement.				1	1	4	1				1		8
Vagrancy	1												1
Various	1	5							1		1	4	12
Totals	16	14	14	21	25	44	33	37	39	29	33	20	325

IV.—RETURN OF PERSONS COMING BEFORE THE MIXED COURT

OFFENCES.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sep.	Oct.	Nov.	Dec.	Total.
(1) <i>Offences against the person :—</i>													
Allowing children in brothels	1		1									4	14
Assault	27	21	36	25	43	16	80	54	39	48	39	42	470
Attempted suicide	1	1	1	1	4	3	3	5	2	2	1	3	27
Abduction	6	7	8	5	12	10	1	14	18	7	14	4	106
Cruelty to children				1	1		3	3				2	10
Causing grievous bodily harm			4	3	1	4	7	2	1	10	5	1	42
False imprisonment							1						1
Intimidation				1	1	1	3	1		13		2	22
Malicious Prosecution									2	1	1		4
Manslaughter	1	4	1		2		6		2			1	17
Murder, and attempted murder		1		3	1		2	10		6	5	1	29
Rape			2		1					1			4
(2) <i>Offences against property :—</i>													
Arson, (or criminal negligence)		2	5	1	2			2				1	17
Burglary	21	14	9	33	20	24	6	11	12	9	18	10	187
Cruelty to animals	14	13	11	5	17	10	9	7	7	11	12	19	135
Embezzlement	2	8	7	2	2	7	10	4	5	2	2	7	56
False pretences	5	4	5	3	4	4	5	4	10	4	3	5	56
Forgery	4	2	2	1		1	3			3	5	2	23
Fraud	11	6	9		17	8		14	7	5	12	11	100
Godownbreaking			3	3				2	1			1	18
Housebreaking	4	4	6	3	2	6	3	4	5	5	5	5	52
Larceny	265	233	336	265	291	193	210	212	225	243	224	172	2869
Malicious damage	2	3	3				5	1				2	19
Obtaining money by threats	11	13	6	7	14	5	16	19	10	8	1	6	116
Receiving stolen property	7	11	19	6	21	11	12	3	11	4	7	2	114
Robbery	20	15	8	25	9	25	17	19	26	11	17	15	207
(3) <i>Offences of a Public Nature :—</i>													
Breach of Licensing Bye-laws or of License conditions respecting :—												1	1
Cargo boats												5	423
Carriages	45	42	31	47	34	27	44	47	26	48	27	16	768
Carts	58	81	82	94	63	35	69	68	78	52	75	16	10
Clubs												1	10
Dairies	1	1	2	1							1	3	10
Dogs	4	2	14	16	17	21	27	19	29	24	23	17	213
Foodshops			1		3	9	25	26	6	9	6	2	87
Hawkers	33	26	21	26	78	59	243	213	144	88	97	58	1136
Laundries					1		2	1	2	2			10
Livery stables		5			1						1		7
Lodging houses	2	2	2				5			1	2	2	16
Motor Cars	24	35	37	35	25	23	41	63	48	47	24	10	412
Opium	16	17	5	37	26	16	11	7	23	25	17	27	227
Pawnshops	1	1	1	2			3	1	3	2	1		16
Ricshas	992	1966	2698	2751	2674	1960	2459	3069	2348	2223	2500	1847	28027
Tea shops	2	6	14	4	10	25	14	7	19	13	9	10	133
Wheelbarrows	145	252	217	103	232	133	168	123	163	188	82	135	1941
Wine shops	1	1	6	10	8	7	9	6	7	10	6	12	83
Breach of Municipal Bye-laws and Regulations respecting :—													
Arms			1	9					2			2	14
Buildings			1	2	2								5
Dangerous materials, storing of								1			1		2
Fireworks	32	18		1	3	4	5	3	3	3	3	20	95
House refuse	49	66	136	79	149	267	218	310	293	213	134	169	2083
Illegal arrests	1				2	6	2						17
Indecent advertisements	1				2			2		1	12	26	67
Lotteries		9					2	2		4			17
Nuisances	590	813	1139	1069	1330	1030	1593	1460	1307	1214	1434	1324	14303
Prostitutes	81	82	20	17	86	129	107	215	170	126	91	110	1234
Straw												1	1
Sunshades							2						2
Traffic	48	15	67	98	104	80	166	141	150	101	41	145	1156
Bribery	2		1	3	2	1		2		1	2		14
Coining				3	1	1	6	1	2				14
Coin, uttering counterfeit	2	1	2	3	1		2	3	3	6	1	7	31
Contempt of Court		1		2	1	1	9	4	4	7	4	2	85
Disorderly conduct	45	54	65	78	78	80	72	58	60	49	63	53	755
Functioning as Police									1				3
Gambling	31	81	153	99	12	47	21	8	35	75	35	5	602
Gaol breaking												2	2
Loitering with intent	21	44	41	14	40	24	12	28	25	19	13	14	295
Obstructing the Police				2	1		3	1	3			1	17
Perjury					1								2
Returning after expulsion order	10	5	13	17	6	18	6	7	8	5	2	7	104
Smuggling					1								1
Trademarks, infringement of	1		2					6				2	11
Trafficking in women and children	6	6	3	7		5	3	1	4	15	6		56
Vagrancy	52	24	7	4	4	3	8			2	2	5	111
Trespass			29	1									30
(4) <i>Miscellaneous Cases :—</i>													
Bombs					4	3		3	10				20
Husband and wife	2			2		1	2	2		8	6	3	26
Insanity	2	3	3	3	1	2	4	1	1	1			21
Passing food to prisoners						1	1						3
Seeking protection of Door of Hope	4	8	3	3	1	2		2	3		2	1	29
Stray, ill-treated and kidnapped children	4	2	3	3	7	3	3	3	2				32
Witnesses in criminal cases	4	11	9	10	7	10	9	17	17	19	10	12	135
Various	5		8	5		3		1	7	4	10	7	50
Total	2717	4044	5323	5110	5496	4360	5779	6866	5390	5011	5152	4365	59,613

V.—RETURN OF SENTENCES AND DECISIONS IN THE MIXED COURT.

SENTENCES.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Bail forfeited	1879	3124	4163	3992	4467	3307	4530	5513	4111	3759	4033	3479	46,407
Case withdrawn	8	7	36	9	4	3	4	5	6	10	11	9	112
Cautioned	17	42	24	25	44	31	11	7	24	39	34	30	328
Compensation	1	5			1	1	5		2			1	16
Dismissed	61	75	73	56	80	67	90	82	73	61	52	67	837
Expulsion	6	7	4	7	4	5		10	9	11	1	4	68
Fined	323	397	552	600	487	629	814	902	798	774	628	495	7,399
Handed to Parents or Guardians	5	7	4	5	5	2		8	2	7	2	6	53
Imprisonment	267	257	350	285	268	195	238	211	234	217	217	203	2,942
" and Expulsion	68	83	71	88	91	76	51	82	75	93	87	37	902
" and Fined	1	1										3	5
Reformatory	6	6	13	7	9	9	5	5	10	3	10	2	85
Released on Security	4	2	6	5	9	1	5	6	11	19	6	5	79
Sent to Chinese Authorities	49	3	12	13	8	13	16	21	26	8	7	11	187
" Anti-kidnapping Society	1		1		2						1	2	7
" Door of Hope	5	9	3	5	4	3	5	6	5	3	4	6	58
" French Police		1			3						6		10
" Local Guilds		6		1	1		1	4				2	15
" Military Governor of Shanghai	11	1	1	1	3	13	1		1				31
" Sinza Refuge	5	4	6	1	5	4	2	1	1	2	1	2	34
Various		7	4	11	1	1	1	3		4	1	3	38
Total	2717	4044	5323	5110	5496	4360	5779	6866	5390	5011	5152	4365	59,613

VI.—COMPARATIVE TABLE OF ARRESTS.

1908-1917.

OFFENCES.	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
Abduction	310	331	302	276	210	280	353	228	176	106
Arson	28	15	10	12	23	12	24	10	6	17
Assault	704	807	904	813	879	894	712	589	462	470
Burglary and housebreaking, etc.	362	310	355	464	351	298	264	329	275	259
Causing grievous bodily harm	34	37	49	28	41	52	30	36	23	42
Coining	1	4	9	95	9	5	6	26	14	14
Corruption	156	135	94	80	95	99	68			14
Cruelty to animals	54	73	124	11	85	101	97	86	147	135
Disorderly & improper conduct, including drunkenness, fighting & creating a disturbance	1,934	2,403	2,295	1,910	2,876	1,628	1,544	937	706	755
Embezzlement	20	81	45	66	65	62	51	48	48	56
Forgery	4	5	4	6	11	4	15	18	14	23
Fraud	87	131	141	117	114	66	121	79	55	100
Gambling	456	480	869	722	922	701	663	488	691	602
Larceny from person, dwellings, etc.	4,180	3,969	4,803	4,790	3,910	3,826	3,364	3,395	3,194	2,869
Loitering with intent	285	243	199	442	295	259	311	150	239	295
Malicious damage	8	44	61	30	23	28	26	154	36	19
Manslaughter		13	15	7	25	7	13	7	15	17
Minor Offences	25,087	25,348	26,173	26,018	24,299	26,205	24,464	29,308	25,331	36,566
Murder	13	26	20	15	26	26	65	63	15	29
Nuisance, including firing of crackers & burning joss-paper	22,725	18,376	14,616	10,778	11,167	9,114	11,102	6,365	8,065	16,386
Obtaining goods or money under false pretences	98	141	95	123	113	114	86	92	73	56
Property, receiving stolen	113	142	138	164	143	170	115	130	139	114
Rape	9	10	1	3	1	7	2	5	7	4
Returning after expulsion order	147	253	277	285	252	174	216	149	101	104
Robbery	56	97	115	66	86	207	167	187	282	207
Suicide, attempted	30	63	77	77	63	64	68	60	71	27
Uttering	27	32	42	41	36	46	51	56	44	31
Miscellaneous applications										296
Total	56,928	53,569	51,833	47,439	46,050	44,449	47,998	42,985	40,229	59,613

VII.—WEEKLY RETURN OF PRISONERS CONFINED IN THE CELLS.

1917.	Foreign.	Chinese.	Total.	1917.	Foreign.	Chinese.	Total.	1917.	Foreign.	Chinese.	Total.
January 7	1	98	99	May 13	1	79	80	September 16	8	73	81
" 14	1	81	82	" 20		82	82	" 23	5	81	86
" 21	2	64	66	" 27		88	88	" 30	3	71	74
" 28	1	115	116	June 3	3	52	55	October 7	5	62	67
February 4	1	119	120	" 10	3	64	67	" 14	1	63	64
" 11		89	89	" 17		58	58	" 21	1	65	66
" 18	3	76	79	" 24	2	98	100	" 28	2	57	59
" 25	1	122	123	July 1	1	80	81	November 4	2	74	76
March 4	1	69	70	" 8		51	51	" 11	3	90	93
" 11	1	69	70	" 15		88	88	" 18		77	77
" 18	1	64	65	" 22		77	77	" 25		76	76
" 25		67	67	" 29		60	60	December 2	2	68	70
April 1		88	88	August 5		70	70	" 9		51	51
" 8		90	90	" 12		65	65	" 16	1	43	44
" 15		65	65	" 19	7	90	97	" 23		71	71
" 22		68	68	" 26	6	68	74	" 30		66	66
" 29	2	69	71	September 2	8	69	77				
May 6	1	53	54	" 9	9	66	75				
								Total	89	3,859	3,948

Weekly average 76.

VIII.—RETURN OF ARMS, ACCOUTREMENTS AND AMMUNITION.

POLICE.				MOUNTED POLICE.			
	Issued.	In Stock.	Total.		Issued.	In Stock.	Total.
Officers' Swords	37	3	40	Bridles, complete	30	3	33
Webley Revolvers	132	2	134	Brushes, Flat	14	55	69
Webley Revolvers, R.L.C. Pattern	22		22	Brushes, Dandy	10	18	28
Automatic Pistols (Webley)	72	1	73	Lance Buckets	pairs 27		27
Automatic Pistols (Various)	156	43	199	Burnishers	2	1	3
Martini-Metford Carbines	393	163	556	San Browne Belts	30	15	45
Martini-Metford Bayonets	393	180	573	Chaff-cutters	3		3
M. L. E. Short Rifles	101	89	190	Chain Shoulder Straps	pairs 30	11	41
" Bayonets	97	98	195	Clippers, Horse	6	12	18
" Carbines	529	121	650	Curry Combs	14	45	59
" Bayonets	529	121	650	Gauntlets	pairs 30	1	31
Pull-throughs	630	441	1,071	Lances	27	13	40
Slings	630	121	751	Muzzles	2		2
Frogs	630	395	1,025	Head Ropes	30	16	46
Pouches	630	409	1,039	Stable Rugs	44		44
Waist Belts	630	155	785	Saddles, Complete	30		30
L. M. .303 Ammunition	72,100	59,159	131,259	Stirrup Leathers	pairs 30	23	53
Webley .45 Ammunition	3,988	4,812	8,800	Swords	30	7	37
Automatic Pistol Ammunition				Sword Knots	30	5	35
" " 38 Cal.	165	4,392	4,557	Spurs, Jack	pairs 30	27	57
" " 32 "	3,069	5,038	8,127				
" " 25 "	125	4,629	4,754				

POLITICAL MEETINGS.

The distracted state of affairs in China has driven to the environs of the Settlement a host of political refugees, who, by their ceaseless machinations against the established Government of China, have caused infinite trouble to the police. To deprive the more dangerous of these reactionaries of their opportunities to indulge in the dissemination of revolutionary propaganda, it was decided, in the interests of peace and good order and as a measure of friendly co-operation with the Chinese Government, to prohibit unauthorised political discussions in the Settlement.

In conformity, therefore, with measures of a similar character enforced in the French Settlement the appended notification, setting forth the conditions under which political meetings will, in future, be permitted, was published in July; and, in addition, the licence conditions governing the use of Chinese Lodging Houses, Tea Shops, Theatres and other places of public entertainment are being revised in the direction of greater control. By these means there can be little doubt that the political agitator, who is almost invariably inspired by motives of self-aggrandisement, will be forced to find other centres for his treasonable activities.

MUNICIPAL NOTIFICATION.

No. 2453.

Political Meetings.

Of late there have been certain unbridled utterances by political malcontents and others affecting the Chinese Government; with attacks upon public personages, and immoderate defamatory accusations in which terms of violent abuse have been employed of such nature as tend to perturb the public mind and to prove subversive of peace and good order.

In the Foreign Settlement the Council is the executive custodian of order. In pursuance, therefore, of the powers vested in the Council the following regulations with regard to meetings of a political nature are issued for observance by all persons within the Foreign Settlement. These regulations will be enforced forthwith:—

1. No meeting of a political nature shall be held in the Foreign Settlement without special permission from the Council.

2. Any person or persons wishing to convene such meeting shall apply for the necessary permission at least forty-eight hours in advance to the Captain-Superintendent of Police, stating the object of the meeting and giving in a general way all particulars with regard to those attending the meeting and the programme to be observed at the meeting.

By order,
E. S. B. ROWE,
Assistant Secretary.

Council Room,
Shanghai, July 27, 1917.

IRREGULAR ARRESTS.

The principle that no Chinese resident shall be removed from the Settlement without a *prima facie* hearing in the Mixed Court is unfortunately too often disregarded by Chinese officials. Two instances of illegal detention in disregard of this principle have occurred during the year, and on both occasions the time-honoured ruse was adopted of luring the victims beyond Settlement limits by a false message and then procuring their arrest and imprisonment on trumped up charges of debt, etc.

On both occasions the Consular Body was requested to make representations for the release and rendition of the victims as set forth in the appended correspondence. As a result the arrested men were eventually liberated and returned to the Settlement.

Shanghai, June 30, 1917.

SIR,—We have the honour to bring to your notice the illegal detention of one Chow Whuen-yung (周煥榮) residing in Urga Road within the boundaries of the International Settlement.

It appears that our client on the 4th day of the 4th moon (May 24, 1917) received a note from the City Magistrate calling upon him to give the latter a call. Being the Tipao of 23rd Pao 2nd Tu our client gave a prompt response to the said note but upon his arrival at the Magistrate's Yamen, he was placed under arrest and has since been kept in custody. Whatever cause of complaint against our client the City Magistrate may have, it is quite clear that he has no right whatsoever to detain in his Yamen any resident of the International Settlement no matter what his nationality may be. As you are no doubt aware, many instances of a similar nature to the present one have occurred in recent years, and on each occasion the Council has taken up a very strong attitude and through the Consular Body has invariably insisted on the immediate release of the prisoner.

We have no doubt whatever that the policy of the Council in matters of this character remains still the same and we trust, on receipt of this letter, you will at once take the necessary steps to have the matter brought before the notice of the Consular Body, as soon as possible, in order that Mr. Chow Whuen-yung may be set at liberty without delay. If the Council at this stage of proceedings wishes to be made acquainted with all the facts of the case leading up to our client's detention, we will be happy to detail them as they have been laid before us, but at the present we refrain from doing so, as they are somewhat lengthy and in no way affect the wrongful action of the City Magistrate.

We have the honour to be, Sir, your obedient servants,
ELLIS AND HAYS.

The CHAIRMAN, Municipal Council.

Council Room, Shanghai, July 16, 1917.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of June 30 on the subject of the detention of Mr. Chow Whuen-yung by the City Magistrate, and in reply to inform you that the Consular Body has been requested, in terms of the copy letter enclosed herein, to make representations to the Chinese Authorities for his immediate release and rendition.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. ELLIS AND HAYS.

Council Room, Shanghai, July 14, 1917.

SIR,—I have the honour to bring to the notice of the Consular Body the case of the illegal detention by the City Magistrate of Chow Whuen-yung, Tipao of the twenty-third Pao second Tu, and a resident of this Settlement.

On May 24, upon summons, he attended at the City Magistrate's Yamen, where he was immediately placed under arrest and where he has since been detained in connexion with a land dispute.

His arrest and detention, in utter disregard of the established rights of residents in the Foreign Settlement, show a lamentable lack of co-operation on the part of the City Magistrate in preserving regularity in local procedure and in avoiding causes of friction between the Chinese Authorities and those entrusted with the administration of this Settlement. I accordingly have the honour to request that representations be made to the Chinese Authorities for his immediate release and rendition, whereafter any complaint against him may be made the subject of the *prima facie* hearing in the Mixed Court to which he is entitled.

I have the honour to be, Sir, your obedient servant,
A. S. P. WHITE-COOPER,
Acting Chairman.

D. SIFFERT, Esq.,
Consul-General for Belgium and Senior Consul.

Council Room, Shanghai, July 28, 1917.

SIR,—I have the honour to allude to the Council's letter to yourself of July 14 on the subject of the illegal detention of one Chow Whuen-yung in the Chinese City, and to bring to your attention a further similar case of arrest and detention of another Chinese resident of the Settlement.

From a Police Report on the subject it would appear that about 5 p.m. on July 24, one Tsang Ts-ling, owner of a Silk Filature in Chapei, but ordinarily resident at No. 851 Peking Road, received a telephone message at his residence to the effect that his filature, situated beyond the Settlement, and off the North Szechuen Road Extension, was on fire. He immediately left his house in a private ricsa and on entering Chapei was arrested by two Chinese detectives, who took him to the police station on North Honan Road Extension and thence to the City Civil Court, where he remains in custody on a charge of debt. There was no fire at the filature and the false telephone message was probably sent by one of the detectives concerned.

This irregular action on the part of detectives and agents in the employ of the Chinese Government is in contravention of the principle under which Chinese, resident in the Settlement, accused of crime or misdemeanour, are entitled to a preliminary hearing at the Mixed Court, and gives evidence of a recrudescence of that disregard for established procedure, which unfortunately too often characterised relations with the representatives of the former regime, but happily has been of rare occurrence under the more enlightened administration of recent years. The Council is particularly desirous that sanction, direct or implied, by the higher Chinese authorities shall be withheld from these irregular practices, and I have therefore the honour to request that you will make earnest representations to the Chinese Authorities with a view to the release of the men concerned, whereafter they may be prosecuted before the proper tribunal in the usual manner.

I have the honour to be, Sir, your obedient servant,

A. S. P. WHITE-COOPER,
Acting Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

Shanghai, August 30, 1917.

SIR,—On June 30 last we had the honour to address you in connexion with the illegal detention of a Chinese named Chow Whuen-yung, the tipao of the 23rd Pao, 2nd Tu, in the City Magistrate's Yamén.

The Acting Secretary of the Municipal Council on the 16 ult. informed us that the Consular Body had been requested to make representations to the Chinese Authorities for his immediate release and rendition and forwarded us a copy of a letter addressed by the Acting Chairman to the Senior Consul in this regard. Nothing, however, has apparently since been done and no notice has been taken of these representations, for Chow Whuen-yung is still in custody.

We, therefore, beg to express the hope that the matter may not be allowed to rest as it is and, if need be, stronger representations may be made to the City Authorities.

We have the honour to be, Sir, your obedient servants,
ELLIS AND HAYS.

The CHAIRMAN, Municipal Council.

Council Room, Shanghai, September 5, 1917.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of August 30, further on the subject of the detention of your client, Mr. Chow Whuen-yung, in the City Magistrate's Yamén, and in reply to inform you that as a result of the representations made by the Council to the Senior Consul on July 14, Mr. Chow was released on security on August 27, but was dismissed from his position as tipao of the 23rd Pao 2nd Tu.

It may be noted that the Council was unofficially informed that Mr. Chow had been released two weeks previously, but this information subsequently proved incorrect.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. ELLIS AND HAYS.

Extract from Police Report dated November 22, 1917.

I have to state that Tsang Ts-ling still lives at 851 Peking Road and is at liberty. He states that he was arrested in Chapei as the result of a complaint laid against him for debt on July 24 last and was conveyed to the City Procurator's Court the same night. He was released the following day on shop security. A week afterwards he was called up for a hearing, and during the following week he was informed that the charge against him had been withdrawn.

K. J. MCEUN,
Captain-Superintendent of Police.

MIXED COURT.

The attempts made by the Local Chinese Authorities to establish this Court as the medium for communication with and for exercising authority over the Municipal Police and for asserting a right of intervention in the affairs of the Settlement, and the Court's judgment in the Sinnecker registration case are recorded under China's War Measures.

CASE OF TING HUAI.

Interchange of letters with the American Consul-General on the subject of the procedure followed in connexion with the preliminary trial of Ting Huai, who was charged with unlawful possession of the Presidential Seals of the Chinese Republic :—

Council Room, Shanghai, July 31, 1917.

SIR,—I have the honour to refer to recent articles in the "China Press" relative to the preliminary hearing at the Mixed Court of one Ting Huai, in connexion with the custody of the Presidential Seals of the Republic of China.

I am requested by my colleagues to point out that the allegation of bad faith on the part of the Police, in connexion with the counter-signature by yourself of the warrant for the arrest, is a matter of the utmost concern to the Council, since, if well founded, such a charge would tend to prejudice the good relations existing between the Council and the chief local representative of the American Government.

I may state at the outset that the Council approaches this matter with diffidence, since, in the absence of any official complaint or other communication from yourself on the subject, it is recognised that, while a misunderstanding obviously exists, the unfair and acrimonious attack made publicly upon the officer concerned may be gross misrepresentation on the part of a press reporter and not the considered view of the American Consul-General.

The Council has, therefore, required from Captain Hilton-Johnson a full statement of the circumstances attendant upon the incident, as a result of which I have the honour to convey to you an assurance that, whatever the meaning which it was understood Captain Hilton-Johnson intended, his actual intention was to intimate that there would be no departure, in this case, from the usual practice of a preliminary hearing in the Mixed Court, as against any supposition that the prisoner might be handed over to the Chinese Authorities without a hearing.

In this connexion I have only to allude to the fact that in the mind of the Council, and therefore emphasized upon the minds of its officers, is the great principle for which the Council contends and has contended for many years and which receives support and sanction from the Foreign Consuls and the diplomatic representatives of the Treaty Powers, that no Chinese resident in the Settlement shall be removed therefrom without a preliminary hearing in the Mixed Court. The Council expects, and its officers would naturally suppose, that in applying for counter-signature of a warrant of arrest, the Consul-General concerned would only wish to satisfy himself that there would be no departure from the principle enunciated.

I have the honour to be, Sir, your obedient servant,

A. S. P. WHITE-COOPER,

Acting Chairman.

THOS. SAMMONS, Esq.,
American Consul-General.

Shanghai, August 3, 1917.

SIR,—I have the honour to acknowledge the receipt of your communication of July 31 last referring to certain articles in the "China Press," relative to the hearing at the Mixed Court of General Ting Huai in connexion with the custody of certain Presidential Seals of the Republic of China and, in replying, I deem it advisable to set forth the views of this Consulate-General concerning the arrest and examination of said Ting Huai, in so far as these matters concern the Municipal Council and this Consulate-General.

Before so doing, I take occasion to invite your attention to the fact that the decision to hand over said Ting Huai, together with the law and facts as passed on by the Court and the question of whether the accused was given a proper opportunity by the Court to arrange for counsel and to present evidence and witnesses; and the general question of the RIGHT OF ASYLUM, are in no way concerned with the issue which is the subject of your communication. This issue is: "Did the Municipal Police properly carry out the undertaking agreed upon between the Acting Captain Superintendent of Police and the officers of this Consulate-General?"

I think that the few facts of importance are in substance admitted. When the Acting Captain Superintendent of Police called on the morning of the 20th ultimo with a warrant which he desired should be countersigned, he assured me, in reply to my inquiry, that the usual Mixed Court procedure would be followed. In the absence of the Senior Assessor, who attends to matters of this nature and to whom I wished to refer the request, the warrant was not then countersigned; and, in fact, was not countersigned by him until his return at two o'clock p.m. The countersigned warrant was left with the Junior Assessor with instructions to deliver the same to the Acting Captain Superintendent of Police upon the verbal assurance of the latter that the usual Mixed Court procedure would be followed; and, upon the receipt of such an assurance, the warrant was shortly thereafter so delivered.

That same afternoon, the accused was taken before the Mixed Court, examined, and handed over to the Chinese authorities at the Arsenal. Now it is the usual practice of the Mixed Court for a person, charged with a criminal offence, to be arraigned before the Magistrate and the Assessor of the day on the morning subsequent to such arrest. Such procedure affords the accused an opportunity to consult friends, to procure counsel, to arrange for the attendance of witnesses, and to have his case brought up in the public police court at a time and place known to all. Moreover, it is the usual established and prevailing practice of the Mixed Court, in the event of a special sitting of the Court in a criminal case, for a notice of said hearing to be posted at the Court in a conspicuous place on the morning of the day of said hearing. In the present instance, it would appear that not only was such not the case, but that no information was given which made possible a proper press report until the morning of the 23rd of July, three days thereafter. I am also informed that the charge was not entered in the usual way on the charge sheets of the Police, which ordinarily are open to the inspection of the public, as customarily represented by the press. It is submitted that, contrary to the usual procedure, the hearing, held in the manner that it was, was of the nature of a secret hearing. Under unusual and arbitrary procedure, that may follow a departure from the established, prevailing practice, Ting Hui or any other Chinese person within this Settlement might be arrested, examined, handed over, and executed before the public, or even his friends, were aware that his arrest had been made. Such was not the kind of procedure to which this Consulate-General was willing to become a co-operating party; nor was it unwilling that the public should so understand its position.

The Council states that it has required from the Acting Captain Superintendent of Police a full statement of the circumstances attendant on the incident and that it has the assurance that, whatever the meaning which it was understood that officer intended, his actual intention was to intimate that there would be no departure from the usual practice of a preliminary hearing in the Mixed Court. In this connexion, it is essential to point out that the only way in which this Consulate-General could be aware of the intention of the officer in question was through the verbal assurances given by him; and that the only criterion, by which to determine whether such verbal agreement was properly carried out, is by the reasonable construction to be placed upon its terms.

This Consulate-General cannot accept the explanation that the conduct of the Police in connexion with said hearing was in accordance with a reasonable interpretation of "the usual Mixed Court procedure" or the "usual practice of a preliminary hearing;" and while I am constrained to observe, however, that the Acting Captain Superintendent of Police may not have fully realized the nature of the obligation given; as a result thereof this Consulate-General found itself embarrassed to a high degree.

I note with satisfaction in the concluding paragraph of the Council's letter, the "great principle. . . that no Chinese resident in the Settlement shall be removed therefrom without a preliminary hearing in the Mixed Court;" and I wish to make clear that, when such proceedings require as precedent thereto, the countersignature of this office to enable an arrest to be made upon American property, this Consulate-General is highly concerned that it shall not in any way be made a party to an unusual procedure out of keeping with the accepted and established principle.

I have the honour to be, Sir, your obedient servant,

THOMAS SAMMONS,
American Consul-General.

A. S. P. WHITE-COOPER, Esq.,
Acting Chairman, Municipal Council.

HEALTH OFFICER'S REPORT.

The past year was not a healthy one—the inevitable reaction after a series of exceptionally good years, during which non-immune material accumulated to furnish victims for the consuming microbes of disease. To some extent the increased mortality among Foreigners may be attributed to general causes due to a large increase in the less affluent section of the population. But there was also a regrettable increase in the incidence of Smallpox, the prevention of which is so easy, and of Scarlet fever, the prevention of which is so difficult. As a set off against these losses may be placed a remarkable immunity from choleraic diseases and Plague. On the whole a year of exceptional anxiety and hard work for the Health Office.

With respect to Smallpox, the following sentence from last year's report may be quoted: referring to the immunity from Smallpox due to the 90,000 free vaccinations done by the Health Office during the previous ten years, which resulted in an almost complete absence during 1916, it was said that "Any pride resulting from freedom from Smallpox is sure to have a fall, for, in the absence of the scourge, people are apt to neglect vaccination, with the sure result of a severe epidemic after a period of comparative freedom." The sharp outbreak among both Foreigners and Chinese during the last month of the year under review is unhappily too clear a confirmation of this statement, as in practically all the cases investigated neglect of effective vaccination was all too obvious. Both the number of free vaccinations done (over 20,000) and the quantity of vaccine produced in the Laboratory show a considerable increase over any previous year.

The Settlement has been completely free from Plague both in man and rat since June 1916, and this is the first report for nine years without a plague map. As Plague is always to be found in the Southern third of China and other ports in direct connection with Shanghai, there seems to be need for stricter measures against the introduction of plague-infected rats by ships. At present a port is not declared plague-infected until human cases occur, although it is now well known that it is rat and not human cases which carry bubonic plague from one port to another. Meanwhile, the rat-proofing of houses, the main safeguard against Plague, has gone on. It is gratifying to be able to acknowledge the benefit which will result if the new Building Rules for new Chinese buildings are conscientiously carried out with the intended object of building out rats. More is of course wanted if buildings are to be erected in accordance with the essential requirements of modern sanitation, as will be seen on reference to the section of this report headed Plague. Practically all foreign houses, not of reinforced concrete, rapidly become infested by rats and requests for rat destruction are among the most frequent calls from the public. These requests are made because of the damage and annoyance caused by rats and not necessarily with the object of preventing Plague which alone concerns the Health Office. The public should look rather to the builder to free them from rats. Even where property-owners, architects and builders still refuse to be convinced of the necessity for making all buildings permanently rat-proof as a plague preventive measure, the need for building out this destructive animal as a measure of ordinary economy should be recognised and universally enforced; not only in the building of houses but in the building of ships, to which alone is due the presence of Plague from time to time in nearly all the large ports of the world. As this report goes to press an outbreak of Pneumonic Plague in the north of China is chronicled, which in its origin presents many resemblances to the great Manchurian epidemic of 1910-1911; particulars and safeguards will be found under the heading Plague.

After a period of comparative absence Scarlet fever became prevalent during the spring of the year, reaching almost epidemic proportions among certain sections of the population. Scarlet fever is assuming prominence in China as a spreading epidemic of considerable virulence and the outlook as regards prevention in Mid and North China is not hopeful. Increased facilities for travel have taken Scarlet fever into practically all thickly populated areas of the temperate zone throughout the world and no race can be regarded as naturally immune. The only favourable feature is that in time such a degree of immunity

becomes established that the disease assumes a mild type. In Shanghai about 18 cases in every hundred die and there is no indication yet of any diminution in fatality, which at home is well below 5%. It seems to have been introduced into China and Japan almost simultaneously about 50 years ago but not to have reached noticeable dimensions until some 20 years ago. The first recorded foreign death in the Settlement was in 1873. Above the age of five susceptibility to the disease becomes less and power of resistance if attacked greater: so that the indication is, as in the case of Diphtheria, Measles, Whooping Cough and other dangerous children's diseases, to especially protect young children by seclusion until school age is reached. All these diseases require, as a rule, close proximity with actual cases for infection—mainly by mouth or nose spray infection from the respiratory passages of actual cases. And as infection is mostly carried direct from one person to another, Public Health measures in China, as in all other countries, are relatively ineffective. That is to say, wherever people are gathered together, Measles, Whooping-cough, Diphtheria and Scarlet fever are usually prevalent and isolation has a relatively small effect in reducing incidence. Isolation, even when it is as perfect as it is possible to make it by legislation and hospital provision, has not yet materially lessened the incidence of Scarlet fever in any of the great centres of population. Without doubt, when good medical treatment is freely available for all, when the family doctor is as eager to prevent disease as he is to cure it, and when the public receive that education at school age in the essentials of health maintenance which is their due, this group of diseases may not only be markedly reduced but actually stamped out. Nearly all the diseases of children are preventable and practically no children ought to die in the ideal state. And this ideal state, so far as health is concerned, is not so far distant.

STATISTICAL SUMMARY.

SITUATION : Latitude $31^{\circ} 15' N.$; Longitude $121^{\circ} 29' E.$

ELEVATION : Approximately sea-level.

AREA WITHIN MUNICIPAL LIMITS: 5,584 acres or $8\frac{2}{3}$ sq. miles.

DENSITY OF POPULATION: 119 persons per acre.

NUMBER OF INHABITED HOUSES : $\left\{ \begin{array}{l} \text{Foreign } 3,760 \\ \text{Chinese } 58,308 \end{array} \right.$

POPULATION : $\left\{ \begin{array}{l} \text{Foreign } 19,750 \\ \text{Chinese } 644,580 \end{array} \right.$

DEATH-RATE : $\left\{ \begin{array}{l} \text{Foreign } 20.7 \text{ per } 1,000 \\ \text{Chinese } 14.9 \text{ per } 1,000 \end{array} \right.$

TOTAL RAINFALL : 42.46 inches.

The following general Public Health Notice for Foreigners has been published during the year.

PUBLIC HEALTH NOTICE FOR FOREIGNERS.

The following measures are recommended for the purpose of preventing those diseases which, by means of public sanitation and by individual careful living, are preventable, such as Typhoid Fever, Cholera, Dysentery, Diarrhoea and other bowel disorders, Smallpox, Scarlet Fever, Diphtheria, Tuberculosis, Plague and Malaria.

Public Measures.

Sanitary Inspection of houses will be carried out free of charge on application to the Health Officer. Persons about to rent houses are advised to ask the Health Officer for a sanitary inspection and a certificate of good sanitation before closing with the landlord.

Conditions dangerous to health should be reported to the Health Officer.

Isolation of cases of dangerous infectious disease is provided free at the Isolation Hospital, Range Road.

Disinfection of premises after infectious disease will be carried out free of charge on application to the Health Officer.

Vaccination is provided gratuitously at the Branch Health Offices.

Individual Measures.

Eat and Drink nothing that has not been recently cooked, boiled or otherwise sterilised.

Do not consume :—

- *Fruit, vegetables, salads, melons, etc., which have not been cooked or sterilised.

Food on which flies have settled.

- *Milk or cream which has not been boiled or sterilised.

- *Water which has not been boiled or filtered through a Brownlow or Berkefeld filter.

Aerated waters and other drinks unless of best quality.

Alcoholic drinks during the hot weather.

Bread which has not been sterilised by re-heating in the oven.

Ice-cream unless made of boiled materials.

Uncooked oysters.

*Fruit, tomatoes, melons, etc., can be sterilised so that they can be safely eaten raw, and without spoiling the flavour, by dipping for a few seconds into briskly boiling water. Strawberries are better sterilised by dipping into boiling sugar syrup. Milk and cream can be sterilised by placing the bottles in a pan of cold water and gradually raising to boiling point. The candle of the germ-proof filter should be lightly scrubbed in running water and then boiled once a week regularly.

Kitchen supervision should be thorough because the preventable diseases specially prevalent in Shanghai are mostly caused by infected food. Every house should have a serving-room adjoining the dining-room and separate from the kitchen. The serving-room should contain the germ-proof filter, ice-chest, table utensils, washing sink, boiled milk, drinks, bread, butter, fruit and other cooked or prepared foods. Cooking or boiling destroys infection.

Vegetables and fruit grown near the ground, being watered as a rule with nightsoil, are specially liable to be soiled with the germs of Typhoid Fever, Cholera, Dysentery and other bowel diseases and should, before cooking, be strictly kept out of the serving-room and from contact with cooked or prepared food.

Flies carry disease so they should be excluded from the serving-room, kitchen and servants' latrine by providing spring slam doors and unopenable windows screened by perforated zinc, and from the food on the table by fly covers.

Vaccination against smallpox should be done on or before arrival in Shanghai and repeated every three years in October.

Vaccination against Typhoid fevers should be done on or before arrival in Shanghai and repeated yearly in May.

Keep rats out of your house. Starve the rats by providing no food for them in and around your house. Make your house rat-proof.

Mosquitoes carry malaria. Where mosquitoes cannot be exterminated by abolishing stagnant water or by the use of kerosene oil, or by reporting their presence to the Health Officer, the mosquito net should be carefully used. A weekly inspection should be made and no standing water permitted.

Refuse should not be allowed to accumulate, and a properly covered, rat and fly-proof receptacle should be provided. Nightsoil buckets should be kept securely closed, including those in the servants' latrines. Proper receptacles for these purposes may be obtained at the Health Office. Yards and drains should be kept in a good state of repair and freely flushed with water.

1.—METEOROLOGY OF SHANGHAI.

		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YEAR 1917
BAROMETER	MEAN INCHES	30.414	30.252	30.217	29.943	29.860	29.707	29.699	29.703	29.891	30.079	30.281	30.301	30.029
	DEPARTURE FROM AVERAGE	+0.093	-0.023	+0.050	-0.062	-0.013	-0.024	+0.017	-0.015	-0.015	-0.027	+0.037	-0.009	-0.001
TEMPERATURE	MEAN DEGREE	31.75	33.32	44.59	57.75	65.14	73.86	80.98	80.98	75.74	62.95	49.02	36.35	58.12
	DEPARTURE FROM AVERAGE	-6.25	+1.19	-1.48	+1.62	-0.34	+0.48	+0.56	+0.75	+2.74	-0.45	-3.00	-5.78	-0.84
DAILY RANGE OF TEMPERATURE	MEAN DEGREE	18.88	19.76	19.37	20.43	22.23	14.30	14.26	17.42	15.11	18.55	18.82	16.64	17.98
	DEPARTURE FROM AVERAGE	+5.13	+5.92	+4.50	+4.24	+4.31	-1.24	-1.26	+1.56	-0.65	+1.28	+1.22	+0.30	+2.11
DEGREE OF HUMIDITY	MEAN (SATURATION-100)	70.5	70.7	74.2	71.4	73.1	86.6	83.7	83.5	82.7	79.5	74.9	68.5	76.6
	DEPARTURE FROM AVERAGE	-8.8	-8.1	-5.0	-8.9	-6.6	+2.3	-0.5	-0.8	-0.4	-0.4	-3.0	-7.8	-4.0
RAINFALL	AMOUNT IN INCHES	0.49	0.74	2.01	1.33	2.66	11.88	8.59	5.23	2.06	2.89	2.68	1.90	42.46
	DEPARTURE FROM AVERAGE	-1.60	-1.57	-1.48	-2.49	-0.92	+4.83	+2.76	-0.47	-2.30	-0.47	+0.70	-0.48	-3.69

The above figures have been kindly furnished for this report by the Director of the Siccawei Observatory.

II.—VITAL STATISTICS.

Population.

The Foreign Population of the Settlement North of the Yangkingpang, including the outside roads and Pootung, at the last census taken on October 16, 1915, was 18,519, and consisted of 8,197 men, 6,044 women and 4,278 children. The foreign shipping population, which numbered 2,296, was not included. The foreign population for the middle of 1917 was calculated as 19,750. The census of the foreign population taken at each quinquennial period since 1870 shows the following expansion : 1,666, 1,673, 2,197, 3,673, 3,821, 4,684, 6,774, 11,497, 13,536, 18,519.

The Chinese Population on October 16, 1915, was 620,401 and consisted of 284,188 men, 165,623 women and 170,581 children. The Chinese population for the middle of 1917 was calculated as 644,580. The census of the Chinese population taken at each quinquennial period since 1870 shows roughly the following expansion : 75,000, 96,000, 108,000, 126,000, 168,000, 241,000, 345,000, 452,000, 488,000, 620,401.

Deaths.

Deaths among the Resident Foreign Population.—During the year 1917 the total corrected number of deaths registered among Foreigners, including non-Chinese Asiatics, was 514 ; of this number 410 occurred among the resident population.

Six months spent continuously in Shanghai is taken to constitute residence as in former reports. As the non-resident population is a variable and indeterminate factor, the deaths in this category are eliminated in the calculation of the death-rate. The death-rate per thousand per annum, therefore, calculated from 410 deaths occurring among the resident Foreign population of 19,755, is 20.7 as against 14 in 1916. The deaths of 169 children (persons under 15) have been registered, as against 63 last year ; of the deaths among adults, 143 were men and 98 women ; of children, 73 were boys and 96 girls. The mean age at death among the adult resident population was 38.9.

Smallpox after a long period of comparative absence again showed signs of prevalence which increased markedly toward the end of the year.

Though specially feared and prepared for no cases of Cholera occurred.

Both Typhoid and Paratyphoid fevers showed a somewhat increased incidence.

Scarlet fever continued of severe type and its prevalence increased recalling the epidemic of 1902.

There were no fatalities from Diphtheria.

There was an entire absence of Plague both in man and rats.

Tuberculosis heads the list of fatal diseases both among Foreigners and Chinese, and its prevention offers a fine field for future work.

There were no deaths from Hydrophobia.

Beri-beri is now a frequent cause of death among Foreigners on account of the increased Japanese population.

Deaths among the Chinese Population.—9,612 deaths among the Chinese have been reported, compared with 10,217, 8,156, 8,329, 8,524, 6,799, 9,663, 8,062, 8,453, 8,173 and 8,198 in sequence of preceding years.

The death-rate per thousand per annum is 14.9. Of the deaths, 5,234 were male and 4,378 female. The deaths of 3,880 children (persons under 15) have been registered ; of these, 1,992 were boys and 1,888 girls.

DEATHS AMONG THE RESIDENT FOREIGN COMMUNITY.

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Total.
Smallpox	...	...	...	1	...	3	1	1	...	2	2	8	18
Cholera	...	...	...	...	...	...	...	...	...	...	...	...	0
Typhoid Fever	4	...	...	1	5	2	...	3	...	3	1	...	19
Paratyphoid Fever	...	...	...	2	1	...	1	...	1	...	...	...	5
Diphtheria	...	...	...	...	...	...	...	...	...	...	...	...	0
Scarlet Fever	...	1	8	9	6	...	3	3	1	1	...	6	38
Measles	...	...	1	...	...	...	...	...	...	...	...	...	1
Whooping Cough	...	...	...	...	...	...	...	...	...	...	...	...	0
Influenza	...	...	...	...	...	...	...	...	...	...	...	...	0
Tuberculosis	4	4	11	8	10	14	7	6	3	4	6	8	85
Malaria	...	...	...	...	...	...	...	...	...	...	...	...	0
Lobar Pneumonia	1	4	1	1	2	...	...	1	...	...	2	...	12
Hydrophobia	...	...	...	...	...	...	...	...	...	...	...	...	0
Beri-beri	...	1	1	...	1	...	2	2	6	3	3	...	19
Syphilis	...	...	...	...	...	1	...	...	...	...	1	1	3
Plague	...	...	...	...	...	...	...	...	...	...	...	...	0
Tetanus	...	...	...	...	...	...	...	...	1	...	...	...	1
Erysipelas	...	...	...	...	...	...	...	...	...	...	...	...	0
Typhus Fever	...	...	...	...	...	...	...	...	...	...	...	...	0
Dysentery	...	...	...	...	...	...	...	6	3	7	1	2	19
Sprue	...	...	...	...	...	...	...	...	...	...	...	...	1
Acute Diarrhoea	1	...	...	1	...	...	1	1	3	2	1	...	10
Chronic Diarrhoea	...	...	...	...	2	...	1	...	2	...	...	...	5
Abscess of Liver	...	...	...	...	1	...	...	...	...	...	...	...	1
Alcoholism	...	1	...	...	...	...	...	...	...	1	...	...	2
Cancer	...	...	1	1	...	...	2	3	...	1	...	...	8
Sarcoma	...	...	...	...	...	...	...	...	...	...	...	...	0
Cardio-vascular Diseases	3	3	3	5	1	...	1	...	5	2	...	...	23
Bronchitis	...	1	4	3	1	1	2	...	1	...	3	4	20
Diseases of Kidney	...	...	...	3	1	...	1	1	1	...	...	1	8
Heatstroke	...	...	...	...	...	...	...	...	...	...	...	...	0
Drowning	...	...	...	...	...	...	...	...	...	...	...	...	0
Suicide	1	2	...	1	...	1	1	...	...	...	...	...	6
All other causes	9	4	9	12	6	8	13	10	6	10	7	12	106
Total	23	21	39	48	37	30	36	37	33	36	28	42	410

DEATHS AMONG CHILDREN OF THE RESIDENT FOREIGN COMMUNITY.

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Total.
Smallpox	...	...	...	1	...	3	...	1	...	1	2	6	14
Cholera	...	...	...	...	...	...	...	...	...	...	...	...	0
Typhoid Fever	...	...	...	...	...	...	...	3	...	1	...	...	4
Paratyphoid Fever	...	...	...	...	1	...	2	...	...	...	...	...	3
Diphtheria	...	...	...	...	...	...	...	...	...	...	...	...	0
Scarlet Fever	...	1	5	8	6	...	1	1	1	...	6	...	29
Measles	...	...	1	...	...	...	...	...	...	...	...	...	1
Whooping Cough	...	...	...	...	...	...	...	...	...	...	...	...	0
Influenza	...	...	...	...	...	...	...	...	...	...	...	...	0
Tuberculosis	1	...	2	5	4	4	2	1	1	2	1	2	25
Malaria	...	...	...	...	...	...	...	...	...	...	...	...	0
Lobar Pneumonia	...	...	...	...	1	...	...	...	...	...	...	...	1
Hydrophobia	...	...	...	...	...	...	...	...	...	...	...	...	0
Beri-beri	...	1	...	...	...	...	1	1	2	...	...	...	5
Syphilis	...	...	...	...	...	...	...	...	...	...	...	...	0
Plague	...	...	...	...	...	...	...	...	...	...	...	...	0
Typhus Fever	...	...	...	...	...	...	...	...	...	...	...	...	0
Dysentery	...	...	...	...	...	...	...	4	3	2	...	1	10
Acute Diarrhoea	1	...	...	...	...	...	1	1	3	2	1	...	9
Chronic Diarrhoea	...	...	...	...	...	...	...	...	...	...	...	...	0
Abscess of Liver	...	...	...	...	...	...	...	...	...	...	...	...	0
Sarcoma	...	...	...	...	...	...	...	...	...	...	...	...	0
Cardio-vascular Diseases	...	...	...	...	...	...	...	...	...	1	...	...	1
Bronchitis	...	1	3	2	1	...	1	...	1	...	1	3	13
Diseases of Kidney	...	...	...	2	...	...	...	...	...	...	...	...	2
Heatstroke	...	...	...	...	...	...	...	...	...	...	...	...	0
Drowning	...	...	...	...	...	...	...	...	...	...	...	...	0
All other causes	4	1	6	7	3	5	7	5	3	3	1	7	52
Total	6	4	17	25	16	12	15	17	14	12	6	25	169

TOTAL FOREIGN DEATHS.

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Total.
Smallpox	...	1	...	1	1	4	1	1	1	2	2	13	27
Cholera	...	...	...	...	...	...	...	...	...	...	...	...	0
Typhoid Fever	4	...	...	...	5	2	...	3	...	3	4	2	24
Paratyphoid Fever	...	...	...	2	1	...	2	1	1	1	...	...	9
Diphtheria	...	...	...	...	...	...	...	...	...	...	...	...	0
Scarlet Fever	...	2	9	9	6	...	3	4	1	1	1	7	43
Measles	...	...	1	...	1	...	...	...	...	...	...	...	2
Whooping Cough	...	...	...	...	...	...	...	...	...	...	...	...	0
Influenza	...	...	...	...	...	...	...	...	...	...	...	...	0
Tuberculosis	4	5	11	10	10	14	7	6	3	4	7	8	89
Malaria	...	...	...	...	...	...	...	...	1	...	...	...	1
Lobar Pneumonia	1	5	1	1	2	...	...	1	...	1	2	1	15
Hydrophobia	...	...	...	...	...	...	...	...	...	...	...	...	0
Beri-beri	...	1	2	...	3	...	2	3	7	4	...	...	29
Syphilis	...	...	...	...	...	1	...	...	...	...	1	1	3
Plague	...	...	...	...	...	...	...	...	...	...	...	...	0
Tetanus	...	...	...	...	...	...	...	...	1	...	...	...	1
Erysipelas	...	...	...	...	...	...	...	...	...	...	...	...	0
Typhus Fever	...	...	...	...	...	...	...	...	...	...	...	...	0
Dysentery	...	...	1	1	...	...	...	6	3	7	1	2	21
Sprue	...	...	...	...	...	...	...	...	...	...	1	...	1
Acute Diarrhoea	1	1	...	1	...	...	2	1	3	2	1	...	12
Chronic Diarrhoea	...	...	...	1	2	...	...	1	2	...	...	...	5
Abscess of Liver	...	...	...	...	1	...	...	...	...	...	...	...	1
Alcoholism	...	1	1	...	...	...	...	...	...	2	...	...	4
Cancer	...	...	1	2	...	...	2	4	...	1	...	1	11
Sarcoma	...	...	...	...	...	...	...	...	...	...	...	...	0
Cardio-vascular Diseases	4	3	4	5	2	...	1	2	5	2	...	...	30
Bronchitis	1	2	5	3	2	1	1	...	1	...	3	4	23
Diseases of Kidney	1	...	...	3	1	1	...	2	...	...	...	2	10
Heatstroke	...	...	...	...	...	...	2	1	1	...	...	...	4
Drowning	...	...	...	...	...	...	...	...	1	...	...	...	1
Suicide	1	2	...	1	...	1	1	...	...	...	...	...	6
All other causes	13	5	13	12	12	13	16	16	7	14	7	13	141
Total	30	28	49	54	49	40	41	51	38	44	35	55	514

Nationality of
Deaths among
Foreign Residents

American	...	21
Austro-Hungarian	...	4
British	...	113
Belgian	...	0
Danish	...	3
Dutch	...	1
Filipino	...	6
French	...	3
German	...	14
Greek	...	1
Italian	...	4
Japanese	...	181
Portuguese	...	46
Russian	...	4
Scandinavian	...	1
Spanish	...	7
Swiss	...	0
Turkish	...	1

Ages at Death of
Foreign Residents

One year and under	...	70
Over one year and up to ten	...	83
Ten to twenty	...	43
Twenty to thirty	...	70
Thirty to forty	...	47
Forty to fifty	...	36
Fifty to sixty	...	28
Sixty to seventy	...	23
Seventy to eighty	...	7
Eighty to ninety	...	2
Ninety to one hundred	...	1
Mean age at death	...	24.0
Mean age at death of adults	...	38.9

DEATH-RATE DURING TWENTY YEARS.

Year.	FOREIGNERS.						CHINESE. Death- Rate of Chinese Popula- tion.
	Residents.					Non-Res- idents.	
	Adults.	Children	Total Deaths.	Popula- tion.	Death- Rate of Resident Popula- tion.	Total Deaths.	
1895	45	35	80	4,684	17.1	44	
1896	59	29	88	4,834	18.2	47	
1897	42	27	69	4,909	14.5	32	
1898	61	24	85	5,240	16.2	17	
1899	75	29	104	5,510	18.9	23	
1900	81	16	97	6,774	14.3	60	
1901	91	37	128	7,000	18.3	91	
1902	81	57	138	7,600	18.1	125	30.9
1903	86	46	132	8,300	15.9	82	21.2
1904	76	40	116	9,000	12.9	78	19.2
1905	96	33	129	11,497	11.2	112	14.2
1906	109	37	146	11,904	12.3	71	12.3
1907	153	92	245	12,311	19.9	83	21.9
1908	159	72	231	12,718	18.2	73	17.2
1909	149	102	251	13,125	18.1	73	17.3
1910	189	85	274	13,536	20.2	68	17.5
1911	158	73	231	14,532	15.9	39	13.8
1912	192	102	294	15,529	18.9	49	19.3
1913	204	103	307	16,525	18.6	60	15.8
1914	205	110	315	17,522	18.0	72	16.2
1915	199	86	285	18,519	15.4	95	13.2
1916	203	63	266	19,050	14.0	73	13.0
1917	241	169	410	19,750	20.7	104	14.9

RETURN OF CHINESE DEATHS.

Month.	Small- pox.	Cho- lera.	Diph- theria.	Scarlet fever.	Tuber- culosis.	Plague	All causes.
January	0	0	5	23	79	0	753
February	0	0	11	47	96	0	785
March	8	0	1	87	103	0	928
April	13	0	7	142	89	0	896
May	23	0	7	155	92	0	959
June	18	0	13	63	100	0	800
July	10	0	4	24	103	0	846
August	1	0	3	14	113	0	771
September	2	0	0	2	102	0	746
October	10	0	3	6	84	0	728
November	32	0	10	14	80	0	678
December	71	0	0	18	70	0	722
TOTALS	188	0	64	595	1,111	0	9,612
Chinese Population				644,580			
Death-rate among Chinese				14.9			

III.—INFECTIOUS DISEASE.**Notification.**

In the absence of legal obligation to notify, an arrangement has been made with the qualified medical practitioners of Shanghai requiring notification of Infectious Disease for the facilitation of preventive measures, in consideration of the use of the resources of the Public Health Laboratory for the purposes of pathological diagnosis and the payment of a fee of one tael for each case. The notifiable diseases are—Smallpox, Cholera, Dysentery, Typhoid Fever, Paratyphoid Fever, Typhus Fever, Diphtheria, Scarlet Fever, Tuberculosis, Plague, Anthrax, Glanders, Leprosy and Hydrophobia. Tls. 716 was paid for notification fees, as against Tls. 110, Tls. 367, Tls. 239, Tls. 390, Tls. 294 and Tls. 379 in the six preceding years.

The system of notification, so far as it goes, has worked well, and the best thanks of the community are due to our colleagues in general practice for their co-operation. Chinese cases are beginning to be usefully notified by Chinese practitioners educated according to the foreign standard.

During the year 95 Bills of Health for ships and cargoes were issued, as against 126, 149, 90 and 86 in sequence of years from 1913.

Weekly returns of infectious disease have been exchanged so as to keep in touch with the sanitary condition of places in the Far East in communication with Shanghai.

Isolation.

Isolation for cases of infectious disease among Foreigners and Chinese is provided in the Isolation Hospital, Range Road, an account of the work of which institution will be found under Hospitals.

Disinfection.

20,675 rooms were disinfected, as against 10,369, 14,858, 17,514 and 17,682 in the four preceding years; 181,812 articles have been disinfected by steam, compared with 149,407 and 151,542 in the two preceding years. 16,381 articles were disinfected by formalin, compared with 26,352 last year. The Disinfection Station adjoins the Isolation Hospital. Prior to disinfection each disinfector puts on a sterile overall. The general method of disinfecting in a house after a case of infectious disease is first to remove to the Station everything that can be disinfected by steam; then to spray and wash walls, floors, fittings and furniture with disinfecting solution (cyllin). Fragile and delicate articles, such as bonnets, books and photographs, are disinfected by formalin. In many cases, such as after Typhoid Fever or Diphtheria, disinfection of walls, etc., is not considered always necessary, the washing with disinfectant being then limited to articles that have been actually in contact with infected material. After disinfection, painting or colour washing of walls and ceiling is advised to be done by the occupier before the room is again occupied.

INFECTIOUS DISEASES NOTIFIED AMONG THE RESIDENT FOREIGN COMMUNITY.

Disease.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Total.
Smallpox	1	1	2	1	9	7	0	0	0	4	7	11	43
Cholera	0	0	0	0	0	0	0	0	0	0	0	0	0
Typhoid Fever	4	4	4	8	5	2	2	0	1	1	7	0	38
Paratyphoid Fever	0	0	7	0	7	5	7	6	12	6	0	5	55
Dysentery	6	4	4	2	3	3	10	20	36	29	1	2	120
Diphtheria	0	3	0	4	0	0	0	1	4	1	2	3	18
Scarlet Fever	3	19	18	20	20	3	14	2	4	8	1	1	113
Typhus Fever	0	0	0	0	0	0	0	0	0	0	0	0	0
Tuberculosis	0	0	2	0	4	0	2	0	0	0	1	0	9
Hydrophobia	0	0	0	0	0	0	0	0	0	0	0	0	0
Plague	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	14	31	37	35	48	20	35	29	57	49	19	22	396

The above table does not accurately represent the incidence of infectious disease owing to imperfect notification.

DEATHS FROM INFECTIOUS DISEASES AMONG
THE RESIDENT POPULATION DURING TWENTY YEARS.

Year.	Smallpox.		Cholera.		Typhoid Fever.		Diph- theria.		Scarlet Fever.		Tuberculosis	
	Non-Chinese.	Chinese.	Non-Chinese.	Chinese.	Non-Chinese.	Chinese.	Non-Chinese.	Chinese.	Non-Chinese.	Chinese.	Non-Chinese.	Chinese.
1896	19	316	10		8		1		0		9	
1897	2	92	0		6		1		0		9	
1898	2	65	0		7		1		0		9	
1899	7	183	0		6		0		0		10	
1900	0	54	0		4		2		2		14	
1901	1	31	0		6		3		11		17	
1902	3	434	8		6		8		27	1,500	7	
1903	7	241	3	162	13		3		1	2	26	
1904	11	759	1	0	7		2		3	0	11	
1905	14	246	0	0	7		2		1	0	15	
1906	0	29	4	193	11		1		3	5	14	
1907	21	863	18	655	7		1	62	14	79	35	960
1908	5	143	1	8	8		1	54	2	33	29	938
1909	0	19	4	0	7		2	36	3	9	32	828
1910	13	304	0	0	13		1	49	7	109	37	618
1911	10	156	0	0	9		3	55	2	35	33	789
1912	3	124	14	0	13		2	103	11	146	23	1,096
1913	12	207	0	0	19		5	113	15	115	38	1,008
1914	11	162	0	0	17		4	75	5	144	56	1,051
1915	15	106	0	0	11		1	54	1	147	59	1,024
1916	0	3	0	0	10		1	39	9	234	61	1,034
1917	18	188	0	0	19		0	64	38	595	85	1,111

Smallpox.

After a long period of almost complete absence since June 1915, such as has never previously been experienced, and which can be mainly attributed to the extensive campaign of free vaccination at the Branch Health Offices throughout the Settlement during recent years, Smallpox again appeared in March 1917. Sporadic cases occurred throughout the summer and the incidence gathered headway during November and December. The recrudescence was attributable to the accumulation of a sufficient quantity of unvaccinated material to permit of the ever present infection gathering momentum. This was anticipated and is inevitable even if vaccination was compulsory. Shanghai has a large transitory population, so that though permanent residents may be educated up to adequate vaccination, transients accumulate sufficiently to form such a quantity of non-immune and susceptible material as to give rise to limited outbreaks of Smallpox. Generally, the permanent resident, with the extensive facilities for free vaccination which now exist at the Branch Health Offices throughout the Settlement, makes adequate use of this obvious precaution ; but a long period of freedom from Smallpox tends towards neglect of vaccination, which also leads to accumulation of susceptible material. That is to say, while the wiser ones see the danger ahead and effectually guard against it, the happy-go-lucky crowd require the actual presence of Smallpox cases to

frighten them into vaccination. And there still remains a section who are so ignorant that they reject vaccination even when it is brought to their doors. Of these the so-called 'Kaung-pok' people are an example. These people come from that part of Kiangsu Province North of the Yangtse River (Kaung-pok= North of the River). They are employed as ricscha, wheelbarrow, carrying coolies, etc., and form the bulk of that innumerable class whose sole occupation appears to be the picking up of unconsidered trifles. They are as a rule hard working but unintelligent, living under very primitive conditions in the poorest property; in beggar boats and beggar villages, grossly over-crowded.

Vaccination is done free for all Chinese and indigent foreigners applying at the Branch Health Offices. Vaccine is also supplied free to the Chinese hospitals in Shanghai. 20,285 vaccinations have been done by the Health Office during the year, as compared with 465, 380, 520, 1,418, 4,649, 3,244, 4,608, 4,933, 6,108, 13,029, 11,273, 18,029 and 14,426 in previous years.

There is no doubt that vaccination repeated until it no longer takes prevents Smallpox. The criterion of efficient vaccination is inability to be vaccinated. In Shanghai there exists so much Smallpox infection that vaccination should be repeated every three years. Where previous good vaccination is not shown by white net-like scars, aggregating at least one square inch in area, particular care should be taken to get efficiently vaccinated.

Immunity after vaccination appears about the eighth day. All persons exposed to smallpox infection should be at once vaccinated unless they have had smallpox or been recently successfully vaccinated.

In China babies should be vaccinated within six months of birth. There is no contraindication to vaccinating soon after birth. If infants do not take they should be vaccinated with freshly obtained vaccine every month until they do. Subsequently vaccination should be repeated every three years.

Vaccination.

STATION.	VACCINATIONS.	
Eastern District—No. 1 Branch Health Office	558	3,922
No. 2 " "	1,068	
No. 3 " "	881	
No. 4 " "	1,073	
702 Lower Yangtszepoo Road	342	
Northern District—No. 1 Branch Health Office	1,031	5,460
No. 2 " "	2,388	
No. 3 " "	647	
No. 4 " "	729	
No. 5 " "	665	
Central District—No. 1 Branch Health Office	642	4,100
No. 2 " "	1,641	
No. 3 " "	783	
No. 4 " "	1,034	
Western District—No. 1 Branch Health Office	2,293	4,270
No. 2 " "	1,029	
No. 3 " "	948	
Municipal Gaol	2,281	2,533
Indian Police Hospital	86	
Chinese Police Hospital	166	
		20,285

Cholera.

The remarkable diminution in rainfall during each of the months prior to June 1917, combined with the exceptional prevalence of Cholera in so many parts of the Far East during 1916, seemed to point towards the probability of an outbreak in Shanghai during the past summer. The public were therefore duly warned to take such precautions as would tend to reduce liability to infection, especially with regard to food, on the common sense lines of the Public Health Notice. Special measures were taken against fruit and uncooked food, particularly their sale by street hawkers. A large number of samples of cool drinks

sold to Chinese were examined in the Laboratory and action taken when found contaminated, as too often proved to be the case. Ice cream, not excluding that sold in foreign shops, was in most cases found to be unfit for food and the public were warned against consuming ice cream except when known to have been made from boiled materials under proper foreign supervision. Whether these precautions sufficed to keep Cholera away or whether other unknown factors also came into play it is hard to say; but authentic Cholera did indeed happily remain completely absent during the year.

Typhoid Fever.

The incidence of Typhoid Fever remains an important sanitary factor. Every case of Typhoid Fever, Cholera and Dysentery means a short circuit between the bowel discharges of one person and the mouth of another. In nearly all cases where the origin was investigated obvious breaches of the ordinary rules of health, as laid down in the Public Health Notice, were observed.

The infection of Typhoid Fever may be conveyed by vegetables and oysters which have been contaminated with infected ordure, by water, by milk contaminated with infected water, through the air by means of infected dust, and directly from persons suffering from the disease or who act as "typhoid carriers" subsequent to recovery. Typhoid Fever is a preventable disease, its prevention being largely a matter of individual care in the observance of the rules set forth in the Public Health Notice which has been issued to all applicants at the Health Office.

The cause of Typhoid Fever is practically always taken into the body with infected food, and the foods most commonly infected are vegetables, by reason of the manner in which they are grown. Especial stress should be laid on the fact that vegetables are frequently the source of infection with Typhoid Fever, Cholera, Dysentery and other forms of Diarrhoea, and particular care should be given to their thorough cooking and separation before cooking from the rest of the food. The larder or room for storing uncooked food should be separated from the pantry or serving room where table utensils, ice-chest, bread, milk, germ-proof filter and cooked food are kept. There should be a washing-up sink in the serving-room so that table utensils need not be taken into the kitchen to be washed. A place in the yard outside the kitchen for the washing and preparation of vegetables prior to cooking is an additional precaution that may be recommended.

The evidence in favour of typhoid vaccination increases and it involves no risk. Young people especially are advised to have it done on first coming to Shanghai when the danger of infection is greatest. Useful immunity probably lasts three years. Not only is it now certain that the liability to disease is lessened but if contracted the mortality also. The value of typhoid vaccination is further shown by the wonderful immunity from that aforetime plague of armies which has been maintained among the millions engaged in the present war. It is said that in England Typhoid Fever may soon be regarded as an extinct disease. It is advisable to repeat every year if especially exposed to infection. The time would appear to have come for offering free vaccination against Typhoid Fever in the same way as against Smallpox.

Paratyphoid Fever.

The application of the agglutination test in the Laboratory has helped to differentiate these fevers closely allied to Typhoid and which were previously grouped as mild Typhoid but are now known to be separate entities and recognisable clinically. Cases of Paratyphoid B predominate over those of A in the proportion of 3 to 1. It has been the practice when issuing typhoid vaccines from the Laboratory to combine the organisms of Paratyphoid fevers A and B. The reaction is scarcely greater for the combined vaccines while the protection is secured against all three infections, to the great content of those who are wise enough to appreciate the value of preventive medicine. The loss of service to business firms occasioned by these fevers clearly demonstrates the advisability of having their staffs protected by the mixed typhoid and paratyphoid vaccination, material for which is prepared in, and always obtainable from, the Municipal Laboratory. Paratyphoid fever was made a notifiable disease in 1917.

Amœbic Dysentery.

The incidence of Amœbic Dysentery was marked during August, September and October. In practically every case investigated after notification obvious breaches of the Public Health Notice were found which might have led to the conveyance of infection.

Servants with Chronic Dysentery are numerous and are carriers of infection by finger infection of food. A house-boy, for example, with Chronic Dysentery cutting bread and butter is practically certain to pass on the infection to the consumer. Such chronic cases may pursue their usual avocations so that it is advisable to have any house-boy, cook or coolie, who appears to be getting thin, pale or weak, seen by a doctor and his faeces examined for Dysentery Amoeba in the Municipal Laboratory so as to ensure the safety of the household.

Amoebic Dysentery has always been endemic in Shanghai and, in the past, a frequent cause of chronic invalidism. There has been no increased incidence in recent years, but improvement in Laboratory diagnosis has enabled more cases to be correctly diagnosed; while the Emetin treatment has greatly reduced fatality and the incidence of that heretofore frequent sequel, Liver Abscess.

The disease appears to be carried by cysts, the amoeba assuming a more resistant capsulated form which are passed in large numbers in the faeces of persons suffering or convalescent from untreated or improperly treated Dysentery. Such persons, especially if house servants, are a great danger by infecting food, dishes, glasses, napkins, etc., with their fingers. Again, a fly within a few minutes of feeding on infected faeces begins to deposit droplets of liquid excrement and, in these, unaltered and living dysentery cysts occur. Thousands of such cysts may pass through a single fly and be deposited on food, etc., and the persons who consume the food become infected with Dysentery.

Hookworm Disease.

The disease is prevalent around Shanghai in the rice districts, but among foreigners it is rare and is uncommon among Chinese residents, due mainly to the channel of infection being usually through the skin—that is to say, it is only common among those who wade or bathe in infected water. It is caused by the *Anchylostoma duodenale*. In its passage through the skin the larva produces an inflammatory reaction known as ground-itch. Within the body it produces anaemia by its blood-sucking habits. Infection is voided by the bowel.

Measles, Mumps and Whooping-Cough.

There was a moderate prevalence of these diseases.

Diphtheria.

Diphtheria was of mild type. 24 foreign cases were admitted into the Isolation Hospital with one death. Diphtheria antitoxin is supplied free to indigent patients in Shanghai on the recommendation of the physician. In any case of suspected Diphtheria, antitoxin should be given at once, without waiting for the result of the bacterial diagnosis. Formerly bad drains and sewer-gas were given as one of the causes of Diphtheria; this is a fetish which dies hard, and tends to obscure the real cause, namely, direct transfer of infection from a previous case or carrier, and to mislead the public in whose hands prevention really lies. The control of Diphtheria is almost entirely the control of the infective person. The use of antitoxin has reduced the case fatality to one quarter of what it was but has not materially reduced the number of cases.

Scarlet Fever.

After a period of comparative absence, Scarlet fever became prevalent during the spring of the year, reaching almost epidemic proportions among certain sections of the population. The incidence, compared with what may be termed the initial epidemic of 1902, since when the Foreign population has trebled and the Chinese doubled itself, was considerably less, say, about half the incidence of the 1902 outbreak. No special cause can be assigned except the increase of non-immune material. It may be taken that the majority of persons are to some extent naturally immune to Scarlet fever but that during periods of comparative absence of the disease the reservoir of non-immune persons gradually fills up, so that the introduction of a sufficient quantity of infection determines the onset of an epidemic which lasts until the excess of non-immune persons is removed.

Incidence of Scarlet Fever.

FOREIGN SETTLEMENT OF SHANGHAI									
	Foreign Cases Notified	ISOLATION HOSPITAL						TOTAL DEATHS	
		Foreign			Chinese			Foreign	Chinese
		Cases	Deaths	Case Fatality	Cases	Deaths	Case Fatality		
1873			...	...	...	...	...	1	
1882			...	...	...	...	...	2	
1888			...	...	...	...	...	2	
1889			...	...	...	...	...	2	
1893			...	...	...	...	...	2	
1897	4		...	...	...	...	...	0	
1898	8		...	...	...	...	...	0	
1899	7		...	...	...	...	...	0	
1900	15		...	...	...	...	...	3	
1901	58		...	...	...	...	...	11	
1902	101	(Foreign Cases prior to 1905 isolated in General Hospital)	...	...	34	7	21	27	1500
1903	6		...	...	7	0	0	1	2
1904	15		...	...	11	2	18	3	0
1905	5	11	0	0	1	0	0	1	0
1906	10	20	2	10	2	1	0	3	5
1907	58	70	12	17	43	7	16	14	79
1908	25	19	2	10	17	6	35	2	33
1909	9	7	2	29	16	2	12	3	9
1910	32	35	6	17	31	9	29	7	109
1911	15	22	3	14	25	7	28	2	35
1912	49	64	14	22	93	34	36	11	146
1913	32	56	11	20	113	32	28	15	115
1914	24	42	4	9	106	31	29	5	144
1915	15	38	1	3	89	22	25	1	147
1916	27	57	11	19	99	21	21	9	234
1917	113	153	40	26	209	50	24	38	595
	628	594	108	18.2	896	231	25.8	165	3153

Prior to 1902 death figures not regarded as sufficiently accurate to be included, but assumed that Scarlet fever was either entirely absent or epidemic in its incidence.

NOTES ON THIS TABLE:—

1. Incomplete notification reduces the value of the first Column.
2. Decimal points omitted from case-fatality percentages.
3. Total foreign death figures in Shanghai may be regarded as the most accurate of the data available.
4. The higher case-fatality among Chinese cases in Isolation Hospital does not necessarily indicate a higher virulence of type or lessened resistance among the Chinese as compared with foreigners, for many Chinese cases are brought in moribund after outside treatment had failed.
5. The discrepancy between the foreign deaths in Isolation Hospital and the total deaths is accounted for by cases from outside the Settlement being also admitted.

The first recorded death from Scarlet fever in the Foreign Settlement of Shanghai was in 1873. It seems probable that the infection was imported. At about this time, cases are believed to have been reported at Chefoo. The occurrence of Scarlet fever in Japan appears to have been officially notified in 1897, but it is probable that a few cases occurred prior to this. Indeed, Scarlet fever appears to have reached Japan and China at about the same time and to have been previously quite unknown.

By the year 1902 there had been introduced into Shanghai a quantity of infection sufficient to gather epidemic momentum, and the Chinese death record from Scarlet fever in that year, 1,500, does not appear to have been exaggerated.

As would be expected with a recently introduced disease, against which evolution has afforded no natural immunity, Scarlet fever has been of virulent type among the Chinese. It is probable that the passage of the disease through the susceptible Chinese has led to an intensification of the virus, so that it is more fatal to Foreigners also. The average case-fatality among 68 foreign cases admitted to the Isolation Hospital from 1905 to 1917 was 18.2%. The general case-fatality of Scarlet fever in England was in corresponding years below 5. The tendency in the home countries is for the type to become less virulent, with a case-fatality approximating to 3%. But Scarlet

fever is characterised by an exceptional variation in virulence and in epidemics the case fatality may vary from 30% to nothing. In Shanghai there is no indication yet of any general diminution in virulence of type either among Foreign or Chinese cases. On the other hand in Japan the fatality appears to be reverting to the English and American type of low severity.

There have been in Shanghai curious groups of cases of "mild sore throat," without the characteristic signs of Scarlet fever, accompanying typical cases. Such "mild sore throats" appear to have occasionally carried the genuine infection and produced typical cases of Scarlet fever. Some of these must be regarded as atypical cases of Scarlet fever. Others as cases of tonsillitis, septic, follicular and catarrhal, often accompanied by an evanescent eruption which does not desquamate; and so common as to be likely to be a usual accompaniment of outbreaks of Scarlet fever and difficult, sometimes impossible, to distinguish from cases of atypical Scarlet fever. This points to the necessity of isolating all "sore throats" during an outbreak of Scarlet fever of virulent type; but to keep cases not definitely diagnosed as Scarlet fever separate from typical cases. As pathogenic organisms may be considered as true to type there seems to be no good reason for thinking that ordinary tonsillitis may develop into Scarlet fever, nor that throats susceptible to tonsillitis are *ipso facto* susceptible to Scarlet fever.

In Shanghai there is a tendency towards quinquennial periodicity. The big initial epidemic of 1902 was immediately followed by four years of remarkable absence or reduction of cases; and then a moderate outbreak in 1907, gathering momentum again to maxima in 1912 and 1917. Especially after the initial outbreak in 1902 it would appear as if all the most susceptible material had been exhausted and that a new generation of young children was required before any further great devastation was possible. Above the age of five susceptibility to infection is generally held to become progressively less. As regards seasonal prevalence the incidence in Shanghai corresponds to the American type, where it is at its maximum in the spring and at its minimum in the fall; whereas in England the seasonal variation is just the reverse. The same seasonal variation occurs in Japan as in China. This may be accounted for by the hotter summer in these countries; anything approaching tropical heat appearing to be antagonistic to the propagation of Scarlet fever, which is rare anywhere in the tropics and, when introduced, does not seem to be able to retain a hold. In Shanghai although the maximum incidence is in March, cases may occur throughout the summer; even in July and August with a mean temperature of over 80° F.

Scarlet fever now appears to be pretty generally prevalent in Japan, though the figures are comparatively small. The comparative fatality of the infectious diseases in Japan roughly have the following order in general mortality figures during recent years—Typhoid fever, Dysentery, Cholera, Smallpox, Plague and then Scarlet fever. Scarlet fever also occurs in the larger towns of Korea.

In China Scarlet fever seems to be generally prevalent in the Yangtze valley at least as far up as Hankow; also in the North in Chefoo, Tientsin, Peking and Manchuria.

In Hongkong four cases of Scarlet fever were reported to have been brought in two British warships from England in 1898 and that the disease had previously been "practically unknown" in the Colony. From 1908 to 1916 fifteen cases were notified. In Singapore, Penang and the Philippines Scarlet fever does not appear to come into the picture so far as health statistics show.

As regards prevention in China the outlook is not hopeful. The increased facilities for travel are all in favour of further spread in North and Mid-China. Although the contagiousity of Scarlet fever is low, its persistence in the throat and mucous membranes in connection with the throat is prolonged, so that isolation is an uncertain preventive in the absence of a bacterial test of infectivity as in Diphtheria. As infection is by direct contact, that is to say, mainly by droplet infection, public health measures are comparatively ineffective. Apart from the size of the droplets from the throat, mouth and nose and the propulsive force, the opportunity for spread of infection is inversely as the square of the distance. Overcrowding is therefore an important factor in spreading the disease; and overcrowding is a Chinese characteristic. The prevention of Scarlet fever is fundamentally a matter of personal hygiene; and this will come through one route mainly, which is education by teaching and by experience. Were the organism of Scarlet fever isolated, a vaccine might possibly become available and a better check kept on infectivity. Early and prolonged isolation is the chief measure of control; but this measure has done little to reduce the incidence of Scarlet fever in Europe and America after extended trial and the provision of splendid hospitals, free to all, as in London, together with compulsory isolation powers.

The desquamated skin is not now regarded as of much importance in spreading infection ; but is valuable as an outward, visible and persistent sign of the disease. Eucalyptus and olive oil innunction is not, therefore, of much value. Apart from the all important throat infection ; nose and ear discharges persisting after apparent convalescence have frequently caused infection.

The disinfection of rooms, clothing, etc., is of far less importance than the sterilising of the patient's throat. Clothing, bedding, etc., is best disinfected by boiling or current steam. Rooms and furniture by spraying with Cyllin or Izal, 1 in 50 of water. In using the coal tar disinfectants it is necessary to know their carbolic co-efficient, as there are so many inferior disinfectants on the market in China, which may not have a twentieth of the disinfecting power of those named. Books, photographs, millinery, upholstered furniture, etc., may be disinfected by formalin spray ; but formalin is inferior as a disinfectant on account of the almost universal greasy surface which is only penetrated by an alkaline disinfectant of the coal tar type.

With respect to treatment, an experience of two years' resident work at the North Western Fever Hospital in London, where I had charge of some 3,000 cases of Scarlet fever, led to the conclusion that the value of medical treatment was, in uncomplicated cases, small. The disease cannot be cut short. Syringing with chlorine water seemed to clear up septic throats better than anything else and tended towards prevention of glandular abscess. As an instance of the comparatively low infectivity of Scarlet fever, I have on three occasions where Diphtheria cases developed superadded Scarlet fever, and it was undesirable to move the patient, on account of tracheotomy or heart condition, retained them in a diphtheria ward without spread to any of the remaining 20 or 30 children in the ward, by making them 'barrier' cases and using simple antiseptic treatment for the throat. If the disease had been Measles or Varicella under such conditions, spread to the other cases would have been inevitable.

Tuberculosis.

Tuberculosis remained the great cause of death both among Chinese and Foreigners. The chief contributory cause was the excessive overcrowding which prevailed. The good work, inaugurated and carried on for some years by the King's Daughters' Society which, among other work, visited cases of Tuberculosis among indigent foreigners and showed them what was required in the way of isolation and carrying out of proper preventive treatment, has been continued by the Municipal District Nurse. The extension of the Isolation Hospital begun in 1916 is still uncompleted owing to non-arrival of material from home. Moreover, the shortage of nurses, also due to the war, makes it practically impossible yet to provide the much needed accommodation for cases of Tuberculosis.

The prevention of Tuberculosis is the greatest health problem of the day in all countries. Tuberculosis causes more deaths than all the other infective diseases put together. The prevention of the disease will be rapid and effective when the fact is recognised by all that nobody gets consumption otherwise than from another consumptive ; mainly by inhaling tubercle bacilli sent out from the lungs of a consumptive living or working near. It is very important that a tuberculosis patient have a bedroom to himself. The spitting nuisance is relatively unimportant from the point of view of spreading consumption. The consumptive is the direct danger and it is the fresh germs which are given out that sow the contagion. Once the spit is dried the germs are mostly dead. It is obvious, therefore, that the main thing is to obtain fairly complete separation of infective consumptives. But this cannot be done until the value of the measure is understood by the people. Education is essential to the success of this as of most other sanitary measures. The main object at present is the education of public opinion on the subject. Lectures, pamphlets and handbills are being given to the Chinese explaining the danger of consumption and the way it spreads from one person to another. A booklet giving in the simplest English and Chinese an account of the cause and prevention of Tuberculosis is available for distribution.

Practically all tuberculous lesions among Chinese would seem to be human in origin, mainly through lungs and tonsils by direct infection. It seems necessary to direct attention to the supreme cause of tubercle in man, namely, direct infection through the respiratory tract. Danger from tuberculous meat and milk is more easily removed by cooking and boiling respectively than by inspection. All forms of Tuberculosis from which English children suffer at home are common in Chinese children, living in places where they receive no milk whatever.

Tuberculosis is very rare among native cattle. From among 165,000 cattle killed at the Municipal Slaughterhouse during the past ten years, 17 only were rejected on account of Tuberculosis, and these were

local dairy cattle (foreign and half-bred). The native cattle collected at the Kiangsu centre of Tanyang are practically free from Tuberculosis, but the local dairy cattle which are Australian or half-bred animals kept in close captivity, are frequently tuberculous. There are no herds of native cattle, which are kept in twos and threes at the small farms.

Plague.

There has been a complete absence of plague-infected rats and of human cases during the year.

Although Plague is endemic in the southern third of China, especially in the provinces of Yunnan, Kwangse, Kwangtung and Fokien, it seems to have difficulty in finding a permanent home in the Yangtze Valley. It would, however, be unwise to unduly relax preventive work against Plague, especially as regards making all buildings permanently rat-proof. Even where property-owners, architects and builders still refuse to be convinced of its necessity as a plague preventive measure, the need for building out this destructive animal as a measure of ordinary economy should be recognised and universally enforced, not only in the building of houses but in the building of ships, on which alone is due the presence of Plague from time to time in nearly all the large ports of the world.

There were rumours of the occurrence of Pneumonic Plague early in the year in several parts of China, including the province of Kiangsu, but no substantiation could be obtained after careful enquiry.

Towards the end of November, however, Pneumonic Plague did break out at Patsebolong in South Mongolia, in the vicinity of the Yellow River, from whence it spread to Paotn and Saratsi where it entered the province of Shensi, reaching Kweihua by the end of the year. The origin of the outbreak closely resembled that of the Great Manchurian epidemic of Pneumonic Plague of 1910-11, which originated in the middle of October in Manchouli in Northwest Manchuria near the Siberian border, being carried by the Chinese Eastern Railway and reaching Harbin at the end of October. Harbin became a focus of the disease from which after a considerable interval Changchun and Mukden on the South Manchuria Railway were infected at the end of the year, leading to its further spread to the provinces of Chihli and Shantung. The carriers of the plague in the Manchurian outbreak were the coolies engaged in the fur trade, while in the present outbreak the carriers appear to be those engaged in the transport of "wool." Danger lies in the proximity of the area infected to Fengchen, the railhead of the Peking, Kalgan and Tatungfu Railway. This railway might bring persons in the incubation period (1 to 7 days) in communication with the Peking-Hankow and the Tientsin-Pukow Railways and open possibilities of still wider dissemination. Another route by which the Yangtze valley would be threatened is by Taiyuanfu, which has railway connexion with the Peking-Hankow line. The nearest distance of the present infected area from Taiyuanfu is some 200 miles. This section of the Yellow River is now probably frozen over and would afford no special facilities for travel. Should Pneumonic Plague occur in Peking, Paotingfu or Taiyuanfu, there is the possibility of the Yangtze Valley being involved by cases carried during the incubation period. Moreover, the Peking-Hankow and the Tientsin-Pukow Railways should be comparatively easily controlled, *e.g.* by stopping the coolie traffic or by the establishment of quarantine stations at the large towns and non-issue of tickets from intervening stations, so as to place all except first-class passengers under observation during the 7 days incubation period; after which they could safely travel. Medical inspection and isolation of such cases as arise do not suffice to prevent dissemination of Pneumonic Plague because persons incubating the disease escape detection. In the absence of effective measures being taken on these railways, should such be needed, it would then become advisable, so as to protect Shanghai and the lower Yangtze ports to suspend, so far as possible, passenger traffic by river and on the Shanghai-Nanking Railway, except for first class passengers and for those who had passed through a quarantine period of 7 days under observation. There would be no need to take any measures against merchandise.

Plague-infected rats were found in Shanghai in December 1908. A complete plague survey of the Settlement has been maintained since. During 1917, 16,216 rats were found dead and brought to the Laboratory for examination, and of these none were plague-infected, compared with 49, 187, 249, 138, 95, 122, 186, 76 and 6 in sequence of years from 1908. 1,949 houses were temporarily rat-proofed and pulicidally disinfected at an average cost of \$1.50 each house; bedding, etc., being passed through the steam disinfector. This temporary rat-proofing included the plastering up of rat holes, bricking up and wire-netting places permitting ingress of rats into houses: the furniture of the house being removed to permit of thorough examination for rat holes and runs. It cost 3.2 cents to catch each rat caught.

1,420 houses were permanently rat-proofed by laying solid ground floors, removing ceilings, lath and plaster partitions and other hollow spaces so as to deprive rats of accommodation. All food shops are now required to be rat-proof as one of the conditions of licence. A rat-proofing material three inches in thickness consisting of 1 part cement to 15 of screened ashes was used at a reduction in cost to \$12 as against \$18 for tarred chips. As a rat-proofing material it is superior to tarred chips though there may be a greater liability to rot on the part of the floor boards, which, however, is met by the application of antiseptic.

Practically all the older Foreign buildings are rat-infested, while recently erected houses soon become overrun by rats, including many of the large new blocks of offices with residential flats recently erected. Foreign buildings with the usual ceilings and lath and plaster partitions may be considered dangerous from the point of view of Plague. Ferro-concrete construction with flat roofs on the other hand is ideal, provided no hollow lath and plaster work or hollow ceilings are permitted. As regards Chinese houses the presence of hollow ceilings below the roof and the use of the usual Chinese tiles, which afford ample seclusion for rats, still constitute a grave danger. The local rat, which is mainly a roof rat, finds unlimited accommodation in such houses although the ground and first floor be made solid. The overcrowding and piling up of household goods also increases the danger by providing additional places for rats and bringing rats in closer touch with the inhabitants, and it is in houses where these conditions are most marked that Plague cases have arisen. In addition to rat-proofing, shifting at regular intervals of furniture, etc., and general cleaning up is required to prevent the spread of Plague.

A plague preventive measure of considerable permanent value has been the erection of rat-proof house refuse receptacles on Chinese property. It will be apparent that rats are thus deprived of a vast store of nourishment and, as the rat population is to a large extent regulated by the amount of available food supply, this is held to be a radical plague-preventive measure.

Although the initial cost of permanent rat-proofing is comparatively large, yet, if new houses are built in accordance with the requirements of modern sanitation, not only will it be possible to gradually reduce to extinction the present large plague prevention staff, but this measure of permanently rat-proofing houses forms the greatest insurance against Plague in the future and is, in fact, the only permanent safeguard. A house permanently rat-proofed is not only a healthier one to live in but is a guarantee against Bubonic Plague.

Of the rats examined in the Laboratory, about 70% were *Mus rattus* and the remainder *Mus decumanus*—*rattus* being the black or ship rat, which usually lives in houses; and *decumanus*, the brown or sewer rat. *Mus rattus* largely preponderated among those plague-infected. Of the fleas, *Pulex cheopis* and *Ceratophyllus fasciatus* have been identified, the former being the flea usually associated with the spread of plague from rat to man.

In formulating anti-plague measures the rat has been the chief objective as it is held that the rat is the essential cause of epidemics, the flea being the carrier of infection from rat to rat and from rat to man, infection from human cases, which is practically limited to the few pneumonic cases which usually arise, being comparatively rare. The dictum 'No Rats: No Plague' has been taken as a working basis, and a house that is rat-proof has been considered for all practical purposes plague-proof.

The following is a summary of measures put into operation :—

PUBLIC MEASURES.

1. Plague survey by enquiry into the cause of human deaths and by collection of rats found dead throughout the Settlement for examination in the Laboratory in order to locate plague infection.
2. Careful daily collection and disposal of house refuse from every house and storage of house refuse in rat-proof receptacles so as to deprive rats of means of sustenance.
3. Rat-proofing of houses.
 - (a) Temporary, by service of notice on occupiers asking for co-operation in cleansing, pulicidal disinfection, demurization and rat-proofing by minor repairs, etc.
 - (b) Permanent, by service of notice on owners requiring solid ground floors, removal of ceilings and hollow partitions and stair linings so as to deprive rats of accommodation.
4. Rat destruction by trapping and poison in infected areas, beginning at the periphery and working towards the centre.
5. Preventive inoculation with plague vaccine beginning with the sanitary staff.

INDIVIDUAL MEASURES.

No rats. No plague.

A house that is rat-proof is plague-proof.

1. Rid your house from rats by trapping and poisoning.
2. Make your house as rat-proof as possible.
3. Provide no food for rats. Keep all food in places inaccessible to rats. Grain and such like food for ponies, fowls, etc., should be kept in covered galvanized iron receptacles. See that your servants keep their rice bags where rats cannot get. Keep house-refuse in properly covered galvanized iron receptacles and see that they are covered, especially at night. Keep the kitchen and its surroundings very clean; let no refuse lie about.
4. See that the gratings into the space below the ground floor keep out rats, and that the brickwork of the basement is impervious to rats. If rats gain access through windows or other openings on the ground floor keep them out by screening with wire-netting or perforated zinc.
5. See that all openings into covered drains are kept in good repair to prevent egress of sewer rats. Carefully inspect all corners of the house from top to bottom once weekly, moving furniture where necessary. Do the same in the stable, fowl house and other out-houses. Arrange for the plastering up of rat-holes or any place that may afford ingress to rats and mice.
6. All rats trapped or poisoned should be burnt; other rats found dead in or about the house should not be touched with the hands, but should be picked up with tongs, put into Jeyes' fluid and water (1 in 20) and sent to the Health Officer for examination for Plague.
7. Get vaccinated against Plague if exposed to infection.
8. If you have any difficulty in carrying out the above measures communicate with the Health Officer in writing.

Rats found Dead brought to the Laboratory and Rats found Plague-Infected.

		DISTRICT.				Total
		Central	Northern	Eastern	Western	
January	Rats examined	191	592	103	201	1,087
	Plague-infected	0	0	0	0	0
February	Rats examined	264	609	177	249	1,299
	Plague-infected	0	0	0	0	0
March	Rats examined	299	733	204	309	1,545
	Plague-infected	0	0	0	0	0
April	Rats examined	284	668	194	252	1,398
	Plague-infected	0	0	0	0	0
May	Rats examined	262	717	175	257	1,411
	Plague-infected	0	0	0	0	0
June	Rats examined	250	639	181	196	1,266
	Plague-infected	0	0	0	0	0
July	Rats examined	310	649	162	206	1,327
	Plague-infected	0	0	0	0	0
August	Rats examined	304	643	148	242	1,337
	Plague-infected	0	0	0	0	0
September	Rats examined	303	654	188	257	1,402
	Plague-infected	0	0	0	0	0
October	Rats examined	297	690	197	271	1,455
	Plague-infected	0	0	0	0	0
November	Rats examined	307	609	165	288	1,369
	Plague-infected	0	0	0	0	0
December	Rats examined	307	616	167	230	1,320
	Plague-infected	0	0	0	0	0
Year 1917	Rats examined	3,378	7,819	2,061	2,958	16,216
	Plague-infected	0	0	0	0	0

Annual Incidence of Plague.

	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
Plague Infected Rats	49	187	249	138	95	122	186	76	6	0
Human Plague Cases	0	0	6	0	18	10	26	1	0	0

Summary of Plague Prevention Work.

	DISTRICT.				Total.
	Central.	Northern.	Eastern.	Western.	
Rats found dead and brought to the Laboratory for examination	3,378	7,819	2,061	2,958	16,216
Rats plague-infected	0	0	0	0	0
Human Cases	0	0	0	0	0
Number of traps in operation	3,200	3,200	1,420	1,400	9,220
Number of rats trapped and burnt	25,131	36,704	22,508	7,241	91,584
Poisoned baits laid	951,200	1,291,300	550,496	229,700	3,022,696
Houses temporarily rat-proofed and disinfected under notice to occupier	0	1,949	0	0	1,949
Houses rat-proofed under notice to owner	1	1,375	36	8	1,420
Persons vaccinated against plague	0	0	0	0	0

Danger from Yellow Fever.

The opening of the Panama Canal brings nearer the possibility of Yellow fever coming to China, especially if vessels come direct from infected ports in the Gulf of Mexico and other places. The introduction of a human case or an infected female mosquito might serve to spread Yellow fever to China. If introduced to China, it is likely to spread on account of the prevalence of the *Stegomyia scutellaris* mosquito which is closely allied to the *Stegomyia fasciata*, the known carrier of Yellow fever. The *Stegomyia* is a relatively hardy mosquito and a better sea traveller than many other species. There is now greater need for anti-mosquito measures in Shanghai. A case of Yellow fever is reported to have been brought to Yokohama by a ship from America via Honolulu. A Yellow fever case can only infect the *Stegomyia* mosquito during the first 3 days of illness; and a mosquito thus infected cannot transmit the disease before the twelfth day after infection. Cases and suspected cases of Yellow fever require immediate and absolute isolation.

Malaria.

A comparatively small number of cases of Malarial Fever, mostly of the benign tertian type, are contracted in and around Shanghai.

Periodic examination has been made of mosquitoes collected from each of the sanitary districts into which the Settlement is divided, and the following have been found: *Anopheles sinensis*, Wied. (Malaria bearing), *Stegomyia scutellaris*, Walker (probably Yellow fever bearing), *Culex fatigans*, Wied. (the host of Filaria) and *Armigeres ventralis*, Walker.

Every effort should be made by householders to do away with all receptacles of stagnant water where mosquitoes breed, such as ponds, water plants, drains out of repair, abandoned tubs, pots, tins and what not. The mosquito net should be assiduously used wherever there are mosquitoes, and especially in up-country

houseboat trips. It is doubly necessary to surround a person suffering from Malaria with mosquito netting to prevent mosquitoes being infected and acting as carriers of infection.

An account of the special mosquito reduction work will be found later under that heading.

Beri-beri.

The incidence of Beri-beri among the prisoners at the Municipal Gaol has suddenly and greatly increased, although the known conditions under which the prisoners live have remained precisely as in previous recent years, except as regards overcrowding which has continuously increased. The cause of this disease remains under close observation, though up to the present wrapt in obscurity. The evidence preponderates in favour of the disease being an infective one having no direct relation to food; but infectivity through body vermin has not been substantiated by the experiments made of vermin proofing the prisoners' cells or of disinfecting clothing. The number of cases among prisoners at the gaol in sequence of years from 1899 was 27, 34, 134, 0, 0, 2, 2, 2, 1, 5, 78, 16, 7, 2, 2, 13, 0, 13, 6 and 128 during the year under review.

Acute Lobar Pneumonia.

This disease, which was rare prior to 1898, has in subsequent years caused 8, 0, 8, 2, 2, 6, 4, 1, 10, 4, 3, 4, 4, 4, 7, 8, 7, 3 and 12 deaths respectively among resident Foreigners. This is a communicable disease, which should be classified with infectious fevers, and occurs in well marked epidemics.

Rabies.

14 persons were bitten by rabid dogs within the Settlement during the year and subsequently underwent the Pasteur treatment as against 10, 7, 7, 10, 8, 10, 27, 4, 25 and 20 in sequence of previous years.

In addition 98 persons bitten by dogs found not to be rabid came to the Health Office for advice. This very large number of dog bites shows how indifferent the public are to the proper muzzling of dogs. Dog owners often think that their own pets are harmless and fail to realize their responsibility to the public. In fact, Shanghai is not a suitable place for keeping dogs. The possession of dogs should be subject to the limitation that such possession must not interfere with the security, health and comfort of other people. It is proposed to increase the licence fee to five dollars. There is always a reservoir of rabies infection on the borders of the Settlement from which Shanghai dogs may be infected.

The virus of Rabies in Shanghai dogs is of an exceptionally intense character, the period of incubation being shorter than the Rabies met with in dogs in Europe. An account of the work of the Pasteur Institute will be found under the heading of Laboratory.

It is absolutely necessary for persons bitten by rabid animals or animals suspected of rabies to have the Pasteur Treatment. This is given at the Municipal Health Office and takes about 3 weeks. The fee for Pasteur Treatment is Tls. 50 reducible in cases of necessity.

Observation Kennels.	
Dogs admitted	71
Died	8
Declared rabid	8
Returned to Police and Destroyed	7
Returned to owners	56

Leprosy.

Leprosy is a disease which so seldom concerns Foreigners in Shanghai that its study is somewhat neglected. Cases are met with occasionally, though it seldom figures in the death statistics of either Foreigners or Chinese. There appears to be no urgent call for special preventive measures.

Cattle Plague.

Cattle Plague prevailed in many of the dairies during the year. In the Northern District all the dairies were infected and about 25% of the cattle lost. In the Eastern District there were 122 deaths, only two dairies escaping, including one where the Chinese dairyman himself applied the gall method of immunisation. In the Western District some of the dairies were infected, resulting in the loss of 200 cows, calves and buffaloes.

Immunisation by Koch's gall method is usually available from the Municipal Laboratory but seldom asked for. This method according to Edington freed South Africa from Cattle Plague.

Kölle and Turner's simultaneous method of immunisation by virulent cattle plague blood and immune serum can be recommended as producing a greater degree of immunity than the gall method, but its application is more difficult and there may be some loss of cattle either as a direct result or from inoculated Texas Fever. There seems little doubt that were dairymen to have their cattle thus immunised they would be saved subsequent financial loss from outbreaks of Cattle Plague, but the results have not been uniformly successful.

Seventeen oxen were rejected on account of Cattle Plague at the Slaughter-house during the year, as against 6, 12, 7, 56, 5, 8, 3, 0, 0, 0 and 5 during preceding years.

IV.—PUBLIC HEALTH LABORATORY.

Inasmuch as the study of the life history of pathogenic organisms must precede all adequate measures for preventing the diseases which they cause, no pains have been spared to develop the resources of the Municipal Laboratory. It is the centre of work of the Health Department. Its purposes have been the investigation of diseases met with in Shanghai, the diagnosis of infective disease, the preparation of preventive and curative remedies against these diseases, and the analysis of products bearing on the Public Health. The matters under investigation have been the causes of variation in virulence of Smallpox vaccine, Cholera antitoxic serum, the natural filtration of water through alluvium, the suitability of fruits and vegetables as media for the growth of certain pathogenic organisms, preventive inoculation against Cattle Plague, the causation of Beri-beri, the incubation period of the Rabies in China, the prevalence of Malta Fever, the natural disposal of organic matter in house refuse and the purification of watercloset sewage.

Pathological Diagnosis.

The diagnostic service is being well utilised, not only by local medical practitioners, but by those in other parts of China. 20,852 specimens were examined as against 350, 601, 806, 918, 779, 3,240, 18,265, 20,559, 21,469, 23,322, 21,430, 19,865, 16,582, and 21,146 during the preceding years.

Regarding the Wassermann test, which is now available in the Laboratory, it may be recorded that it is not infallible: it may be negative when Syphilis exists and in some cases the reaction may be doubtful. Nevertheless it will detect the disease in the vast majority of cases. Hand in hand with diagnosis by this test goes treatment with the arseno-benzol group, which promptly removes the mucous lesions of Syphilis and, as an inevitable consequence, reduces the chances of a case infecting others even though he may not be himself completely cured. It remains to be seen whether these same instrumentalities (the Wassermann test and arseno-benzol therapy) can be deliberately employed by the sanitarian as Public Health measures, *e.g.* as a preliminary to marriage or life insurance or entry into public service. Taking the average of all forms of Syphilis the Wassermann reaction is given in 60% of cases.

Laboratory Diagnosis.

Disease.	Positive Results.	No. of Specimens.
Typhoid Fever	51	309
Para-Typhoid	421	772
Diphtheria	66	450
Malaria	11	83
Dysentery	160	292
Cholera	0	3
Plague	0	3
Plague in rats	0	17,588
Tuberculosis	70	241
Relapsing Fever	0	0
Malta Fever	0	1
Gonorrhœa	7	41
Rabies	19	24
Wassermann tests	24	76
Foodstuffs Tested		476
Miscellaneous		457
		20,852

Analyses.

Milk.—329 samples of milk have been examined during the year and of these 6 were returned as adulterated.

3 samples contained from 1 to 10% of added water

2 " " 10 to 20 " "

1 " " 30 to 40 " "

The following table shows a satisfactory progressive improvement in the quality of milk as a result of frequent testing and inspection :—

	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
Number of samples examined	345	365	383	467	449	456	511	505	430	433	329
Percentage found adulterated	35	24	19.3	13.7	12	14.7	8.8	8.7	3.7	4.6	1.8

Analysis of Shanghai Waterworks Water.

Month.	Solids.		Hardness.	Chlorine.	Nitrates.	Saline Ammonia.	Albuminoid Ammonia.	Oxygen absorbed in 1 hour at 37° C.	Bacteria per c.c.		Organisms of the Coli group present in c.c.
	Total.	Volatile.							Agar at 25° C.	Agar at 37° C.	
January	16.4	6.2	9.5	2.5	0.0580	0.0016	0.0114	0.0320	900	34	0.25
February	18.0	6.0	9.5	3.8	0.0593	0.0018	0.0114	0.0327	100	34	0.5
March	15.5	6.0	9.5	2.2	0.0550	0.0016	0.0116	0.0320	100	20	2.0
April	15.2	6.1	9.4	2.5	0.0560	0.0018	0.0115	0.0330	54	12	1.0
May	16.2	6.1	9.5	3.0	0.0580	0.0017	0.0116	0.0330	100	40	2.3
June	16.6	6.0	9.4	3.1	0.0590	0.0018	0.0118	0.0340	126	50	0.25
July	16.3	6.0	9.3	3.0	0.0580	0.0017	0.0116	0.0330	150	24	2.0
August	16.1	6.1	9.4	2.9	0.0580	0.0018	0.0118	0.0320	100	40	4.0
September	16.4	6.2	9.3	2.8	0.0580	0.0017	0.0118	0.0330	100	89	0.5
October	16.6	6.0	9.4	3.4	0.0659	0.0018	0.0116	0.0320	88	12	0.5
November	16.3	6.0	9.3	3.1	0.0657	0.0017	0.0118	0.0330	100	24	1.0
December	16.4	6.2	9.4	2.9	0.0658	0.0018	0.0117	0.0320	80	24	2.0

Comparative Bacterial Content January 1916	Bacteria per c.c. Nutrient Agar Plates		Organisms of coli type found in
	At 23° C.	At 37° C.	
Shanghai Waterworks Co. Water	77	8	2.5 c.c.
Whangpoo River Water at intake	15300	800	0.05 c.c.
Yangtse River Water off Paoshan	1250	230	7.0 c.c.

Gas Analyses.—Owing to pressure of work the Shanghai Gas Co.'s gas was tested on two occasions only when 12% and 11.8% of the poisonous Carbon Monoxide gas derived mainly from the admixture of 'water gas' was found, that is to say, within the generally recognised limit of 15%.

Toxicological Work.—In connexion with police enquiries, blood and other stains, explosives, stomach contents, anti-opium medicines, chemicals, drugs and foods were examined.

Foods, Liquors, etc.—Food analyses have comprised albumen, rice, glycerine, liquors, etc. A large number of samples of ice-cream and iced drinks were tested for bacterial contamination, the majority being found unfit for food and condemned.

Miscellaneous Analyses.—These included analyses of medicines, urine, test meals, etc.

Manufacture of Rat-poison.—1,800 lbs. of phosphorus poison has been prepared for use in rat destruction. This preparation contains 1 in 80 of yellow phosphorus and is coloured a distinct blue to minimise risk. It is issued in the form of small cubes.

Vaccines.

The supply of glycerinated calf vaccine has been widely distributed in the Far East. 317,370 units were sent out from the Laboratory during the year. The number of tubes of vaccine issued from the Laboratory in successive previous years since 1898 has been 25,000, 30,000, 112,500, 65,000, 60,000, 170,000, 142,500, 105,660, 79,790, 99,975, 84,395, 87,300, 50,220, 54,965, 100,025, 106,640, 99,005, 117,240 and 117,440 respectively. The vaccine is sent out in tubes sufficing for five vaccinations, each tube bearing a label marked "SHANGHAI MUNICIPAL LABORATORY," the date of issue from the Laboratory, and the number of the calf yielding the vaccine, so that any fault can be traced to the source. The vaccine is guaranteed effective for one month after the date marked on the tube if kept under suitable conditions. Vaccine is also sent out in bulk in rubber stoppered tubes containing one or more grams, in which form it is convenient for making a large number of consecutive vaccinations.

An account of the number of vaccinations made by the Health Office will be found under the heading of Smallpox.

As light and heat destroy the vaccine virus it is advisable to use it as fresh as possible and to keep it in the dark and, during high temperatures, in an ice-chest. The vaccine is glycerinated and kept in the Laboratory before issue with the object of eliminating extraneous organisms. It is obtained from calves proved healthy by post-mortem examination and is tested as regards purity and activity before issue.

Those who have occasion to use Smallpox vaccine during the warm weather should remember its great sensitiveness to even a moderately elevated temperature. It may be noted that vaccine at a temperature of 57° C. becomes inert in 5 minutes. Even at 37° C., a temperature often reached in summer in China, vaccine is rendered inert in 24 hours. On the other hand at 5° C. below zero vaccine will remain unaltered for a year. Unless, therefore, there is some special reason, vaccination during the warm weather, say, between May 1 and September 30, is inadvisable in China owing to rapid loss of effectivity at the prevailing atmospheric temperature. For this reason Smallpox vaccine between these dates cannot be guaranteed effective. The best time for vaccination undoubtedly is in the early winter months, that is to say, before Smallpox becomes prevalent. The Chinese as a result of their old custom of inoculation still hanker after spring vaccination.

258,338 c.c. of combined Typhoid and Paratyphoid A and B, 36 c.c. of Plague vaccine and 133 sets of autogenous bacterial vaccines were prepared in the Laboratory during the year.

Anti-Rabic Treatment of Pasteur.

Since the opening of the Shanghai Pasteur Institute in 1899, 604 persons have received the treatment. Among these there were 8 deaths from Hydrophobia, a mortality of 1.32%, eliminating those who died of Hydrophobia within 15 days after the completion of the treatment which cannot be charged to its failure but to want of time to establish immunity. Three deaths from Hydrophobia occurred among those treated. A Chinese coolie from Yangtzepoo who was bitten severely on the fingers, swabbed with lysol 5 hours later, commenced treatment the same day but showed the first signs of the disease eighteen days after the completion of treatment. A small Chinese boy from Pootung who received four bites on the leg untreated at the time; he came for the Pasteur treatment on the following day and was reported to have died of hydrophobia twelve days after the full course of treatment had been completed, but no details of his illness are known. The third death was a Chinese coolie from Amoy who commenced treatment five days after receiving the bite and died nineteen days after the treatment, the last day of which treatment he missed. In addition to these a fourth death, in all probability due to Lung Tuberculosis, occurred in a semi-idiot and very unhealthy Chinese charity boy, who developed apparently a severe hæmoptysis shortly after eating a good breakfast and died whilst being carried to hospital: this occurred just nineteen days after completion of the Pasteur treatment. During the past year 45 persons were treated, in 19 of which the animals responsible were proved rabid by inoculation, while 2 more were certified rabid by veterinary surgeons. 20 of the cases were the result of dog bites within the vicinity of Shanghai.

71 dogs were admitted to the Observation Kennels, 8 of which proved rabid. 24 animals suspected of Rabies were examined in the Laboratory and of these 19 were proved rabid by inoculation. The incubation period of Rabies in rabbits inoculated with the brain of dogs sent to the Laboratory for examination average 13 days.

V.—HOSPITALS.

The Municipal Hospital system is concentrated in the vicinity of the Isolation Hospital and Nursing Home so as to coordinate this part of the work of the Health Department.

In order to provide for adequate training of native nurses for the Chinese Hospitals under the Department, the learning of Chinese has been encouraged and there are now two foreign nurses studying the language with this object.

Isolation Hospital.

Isolation for cases of infectious disease is provided at the Isolation Hospital, Range Road. There is a separate hospital for Chinese cases. Admission to either hospital is voluntary and the institutions are for the benefit not only of the patients admitted but of the community. Every endeavour is made to make the hospital as comfortable as possible and the surroundings pleasant, while the fees are arranged so that in no case may the question of payment of fees prevent any one from coming into the hospital. Admission to the Hospital is free, a charge being made for single rooms and luxuries only. Wherever possible the patients or their friends arrange for medical attendance. The building of a three storey ferro-concrete pavilion to the west of the administration block was commenced in 1916 but its completion has been delayed by the war. This was designed to provide a single building for the isolation of all foreign cases of acute dangerous infectious diseases, which could also be used for Tuberculosis; but it is considered best that cases of Tuberculosis be nursed in the old pavilion exclusively.

Admission to the Chinese Hospital is free, but a small charge is made for private rooms. In the Chinese Hospital patients may be attended by their own doctors if they so desire. Considerable improvement has resulted from the organisation of the nursing of Chinese by Chinese under the supervision of the Matron. It is gratifying to be able to report the increasing popularity of this hospital. The need for extension is becoming urgent.

Ambulances are provided without payment for the conveyance of patients suffering from infectious disease to the Isolation Hospital. Other vehicles used for conveyance of cases of infectious disease to the hospital are detained at the hospital until disinfected.

Cases in Isolation Hospital.

Disease.	Foreigners.		Chinese.	
	Admitted.	Died.	Admitted.	Died.
Smallpox	93	20	75	25
Cholera	0	0	0	0
Diphtheria	24	1	18	5
Scarlet Fever	153	40	209	50
Tuberculosis	0	0	2	1
Plague	0	0	0	0
Measles	12	0	43	4
Relapsing Fever	0	0	2	0
Beri-beri	0	0	10	0
Leprosy	0	0	0	0
Syphilis	0	0	5	0
Chancreoid	0	0	3	0
Gonorrhoea	0	0	287	0
Other diseases	39	0	163	8
Total	321	61	817	93

Victoria Nursing Home.

Five new nurses joined the staff during the year while six terminated service. At the end of the year there were five probationers in training. Admissions exceeded those of the previous year by 20%. 105 applications were refused from want of accommodation. 64 major and 158 minor operations were

done. Several floors were planed and polished in place of Ningpo varnish, the latter having the disadvantage of long closing on renewal. Accommodation for children is at times urgently needed.

Maternity section.—The popularity of the Maternity home still increases. No fatalities among the mothers resulted from the 159 deliveries.

Private Nursing Service.—There were six nurses in residence and the comfort of the accommodation provided and the low rates charged for board and lodging at 35 Boone Road seemed to be appreciated. Four nurses lived outside. 98 private cases were nursed during the year, including 10 in the outports. During the summer months the demand for nurses was very small. Four of the nurses attended maternity cases only. No Municipal Nurses were available for private nursing except during the early part of the year.

District Nursing.—One nurse is employed at this very useful work in conjunction with the King's Daughters' Society. The nurse visits an average of 60 cases each month, 3,145 visits being made during the year, including the conduct of 16 maternity cases, 65 vaccinations, 12 cases of communicable disease notified, 29 infectious cases sent to hospital and a number of cases of Tuberculosis, Dysentery, etc., nursed at home with suitable precautions.

Mental Wards.—The number of cases admitted in sequence of years since the wards were opened in 1908 was 20, 35, 35, 33, 22, 26, 42, 37, 35 and 33 during 1917. No cases remained longer than six months.

As the admission of cases, especially urgent cases, to the Mental Ward has occasionally given rise to misunderstanding, the following statement is made with the object of making clear the conditions of admission. The admission and detention of cases in any institution is safeguarded by the law of all civilised countries. It is necessary that those wishing to procure admission of such cases should see that the Consul of the nationality of the patient is satisfied that legal requirements as to certificates, etc., are properly met. It is only after this has been done that the Council can accept responsibility for admitting the case. With the approval of the Consular Body admission is procurable only by the previous signature of Form A or Form B, obtainable from the Matron of the Victoria Nursing Home. It may also be noted that mental cases should not be kept in the Mental Wards longer than six months, as it is recognised that cases of chronic mental disease are better repatriated, so that they may stay in institutions more suitable for such cases. It is not anticipated that following the usual procedure need ever cause any unreasonable delay in the admission of even the most urgent cases. If there is no relative or friend immediately responsible for the patient, the Consul should be requested to accept responsibility in accordance with the arrangement made in 1907 between the Consuls and the Council. The only cases where any difficulty need occur is where a Consul will not recognise nationality; but these cases are rare.

FORM A.—*To be signed before admission by the person immediately responsible for the patient.*

SHANGHAI MUNICIPAL COUNCIL, VICTORIA NURSING HOME (MENTAL WARD).

To the Matron,—I hereby request that you will receive (*Name of patient*) and I undertake to pay the necessary fees, to provide medical attendance, to procure any judicial order that may be required by law, and to remove the patient from the Home if still remaining after six months.

(*Signature*)

(*Address*)

(*Date*)

The fees are Tls. 6 per day subject to reduction in approved cases. If the applicant is unable to pay Tls. 3 per day a Consular Order is required prior to admission, in which case Form B (obtainable from the Matron) should be filled up.

FORM B.—*To be signed by the Consul of the nationality of the patient in cases where the patient remains in the Ward longer than one month, in cases that are a danger to the public and requiring such seclusion, if paupers or having no one immediately responsible for them, or if those so responsible are unable to pay Tls. 3 per day towards expenses or to provide medical attendance.*

SHANGHAI MUNICIPAL COUNCIL, VICTORIA NURSING HOME (MENTAL WARD).

To the Matron.—I authorise you to receive, (*Name of patient*) and I undertake, if not done by the patient or those immediately responsible, to pay the necessary fees at a rate not exceeding Tls. 3 per day, to provide medical attendance, to provide any judicial order that may be required by law, and to remove the patient from the Home if still remaining after six months.

(*Date*)

Consul-General for

Work of Victoria Nursing Home.

	CASES ADMITTED				
	Medical	Surgical	Maternity	Mental	Infectious
January	22	26	16	5	0
February	25	22	12	2	0
March	24	26	14	5	0
April	31	16	8	4	0
May	17	27	13	1	0
June	15	17	15	2	1
July	30	9	15	2	1
August	37	8	14	4	0
September	31	8	11	0	0
October	24	17	18	1	1
November	25	32	6	6	1
December	14	19	15	1	0
Total	295	227	157	33	4
Total cases admitted					716
Deaths					20
Cases refused admission					105
Operations					64
Major					
Minor					158
Cases nursed outside:—					
By Private Nursing Service					98
By Municipal Nurses					7
Visits by District Nurse					3,145

Police Hospitals.

Indian Police.—The average number of days off duty sick in sequence of years was 7, 8, 6.5, 6.2, 4.8, 11, 10.1 and 7 during the year under review. This was mainly due to Bronchitis, Tuberculosis, Typhoid fever, Dysentery and venereal disease. In all the cases of Typhoid fever, obvious breaches of the Public Health Rules, such as consumption of unboiled milk and unsterilised vegetables and fruit, were found on investigation of the origin. Constant supervision by those in immediate charge is necessary to see that the Public Health Rules are carried out. Venereal disease continued prevalent in spite of the opportunity given for prophylactic treatment. This is not at present compulsory, but men who contract venereal disease and have not availed themselves of prophylactic treatment lose their pay while off duty. Tuberculosis of the lungs and Bronchitis were the chief cause of invaliding out of the service.

Chinese Police.—The average number of days off duty sick in sequence of years was 5, 3.8, 4.5, 4, 4.7, 5.25 and 4.7 during the year under review. Tuberculosis was the chief cause of invaliding out of the service. Much of the sickness was due, as in the case of the Indian Police, to preventable intestinal infection. The amount of venereal disease is excessive but the Chinese Police will not voluntarily submit themselves to the measures of prophylaxis in operation at the Hospital.

Chinese Prisoners.—Most of the prisoners in the Police Hospital were cases transferred from the Goal which required special nursing and treatment. The results were markedly good in cases of Chronic Dysentery.

Gaol.—The year has been marked by an unusual outbreak of Beri-beri, the number of cases occurring being the largest for 15 years. Since 1899 the number of cases of Beri-beri among prisoners in the Gaol in sequence of years was 27, 34, 134, 0, 0, 2, 2, 2, 1, 5, 78, 16, 7, 0, 2, 13, 0, 6 and 124 during the year under review. No one definite factor could be given as the cause. The diet has been unchanged; the process of vermin-proofing the cells has been nearly completed: overcrowding said to be an accessory factor favouring Beri-beri has been continuously increasing, so that in many instances there are four prisoners in a cell originally intended for one. It is significant that no case of Beri-beri has ever occurred in the Reformatory where the diet is the same as in the Gaol but where there is no overcrowding. This evil will shortly be remedied to a great extent by the opening of a new block containing 960 cells. Plans for a new hospital accommodating 300 patients are also being made. Of the 124 cases occurring, 69 came from the East Block (partially vermin proof) and 55 from the West Block (wholly vermin proof). The case fatality was 30%. 21 prisoners showed definite or suspicious signs of the disease on admission to the Gaol: the rest, except 8, were long sentence prisoners of 1 year and over. The disease showed a maximum incidence in October and November. In accordance with the dominant view of vitamin deficiency in food as the cause of Beri-beri, prisoners, suffering from the disease, or with suspicious signs, were fed on unpolished rice, with an addition of 2 ounces of rice polishings daily to their diet. A number of early cases quickly recovered. Unpolished rice is also being introduced into the Gaol to replace the partially polished rice hitherto used. Tuberculosis was again the main cause of death, a large proportion of cases showing signs on admission. 66 definite cases were admitted: in addition to these a large number of suspicious cases were kept under observation in a special ward. There were 55 deaths. Measures adopted to prevent the spread of Tuberculosis in the Gaol are (1) Careful examination of all newly admitted prisoners followed by isolation of all actual and suspected cases. (2) Regular weekly examination of all prisoners losing weight, followed by isolation of all suspected cases for at least one week, during which time records of temperature are made and sputa examined for tubercle bacilli. Dysentery was again prevalent during the summer months, and 4 cases of Typhoid fever occurred. Care is taken in the preparation, transport and service of food, but the habits of the prisoners and the overcrowding, render transmission of infection by carriers easy.

Sanatorium.

The Municipal Sanatorium was opened on May 1 and closed on December 1. Since its opening in 1907 the number of visitors each year has been 9, 71, 62, 76, 81, 108, 87, 126, 136, 106 and 112 during the past year. Of the visitors 46 were men, 32 women and 34 children. As regards Departments the Police sent 81, Health Office 9, Electricity Department 2, Band 5, Public Works Department 8, Schools 2, Secretariat 3, Finance 1, and Fire Brigade 1.

Sixteen applications for accommodation had to be refused during August, the most popular month, owing to insufficient accommodation. Nine employees were sent to the Sanatorium under medical certificate and are reported as receiving marked benefit notwithstanding the somewhat trying journey up. A motor boat always available between Hangchow and San-Jao-Poo to carry passengers at reasonable rates would be a great advantage.

The dilapidated "Drumsheugh" house was demolished during the year and the material stored for future use. The erection of three double bungalows was commenced in November on vacant sites on the Municipal property and are due for completion in June 1918. The site of the demolished 'Drumsheugh' building will be kept vacant in view of a Sanatorium building on a more pretentious scale later on should it be considered desirable to further develop the sanatorium idea at Mokanshan. Meanwhile the adjacent "New Drumtochty" property is being rented. 'Prospect Point,' the original Municipal Sanatorium building, which is some twenty years old, is showing signs of decrepitude but has on the whole been a very satisfactory building. The main pathways have been improved, and new fencing erected mainly with the object of preventing petty theft of shrubs, trees, etc., which is all too common. A set of rules for the conduct of the Sanatorium are being drawn up.

Ambulance Service.

During the year the Ambulance service for transport of cases to the Isolation Hospital was made free as a part of the policy of making the isolation of cases of dangerous communicable disease a charge on the community rather than on the individual. A motor ambulance of best procurable modern type was ordered for the transport of general medical and surgical cases among foreigners and should be available early in 1918.

Police and Gaol Hospitals.

	INDIAN POLICE HOSPITAL			CHINESE POLICE HOSPITAL						GAOL HOSPITAL		
	Admitted	Died	Invalided out of the Service	Admitted		Died		Police Invalided	Prisoners Released	Admitted.	Died.	Released.
				Police	Prisoners	Police	Prisoners					
Small-pox	...	...	...	...	...	...	...	...	...	...	...	...
Cholera	...	...	...	...	...	...	...	...	...	...	...	...
Typhoid Fever	7	...	...	5	4	0	...	...	...	4	2	...
Diphtheria	...	...	...	...	...	...	...	...	...	1	...	...
Scarlet Fever	1	...	...	1	...	...	...	...	...	...	...	...
Measles	...	...	...	1	...	...	...	...	...	...	...	...
Influenza	...	...	...	...	...	...	...	...	...	...	...	...
Tuberculosis	9	4	4	8	9	...	7	8	...	66	55	2
Malaria	2	...	...	11	...	...	...	...	...	...	...	...
Relapsing Fever	...	...	...	4	1	...	...	...	...	...	...	...
Lobar pneumonia	5	1	...	4	...	1	...	...	...	...	...	...
Hydrophobia	...	...	...	...	...	...	...	...	...	...	...	...
Beri-beri	...	...	...	4	4	...	1	2	...	124	38	...
Syphilis	2	...	...	8	1	...	...	...	...	4	...	...
Plague	...	...	...	...	...	...	...	...	...	...	...	...
Tetanus	...	...	...	...	...	...	...	...	...	...	...	...
Erysipelas	...	...	...	...	...	...	...	...	...	...	...	...
Typhus Fever	...	...	...	...	...	...	...	...	...	...	...	...
Dysentery	12	...	...	47	17	...	1	1	...	77	3	...
Sprue	...	...	...	...	...	...	...	...	...	...	...	...
Acute Diarrhoea	16	...	...	57	2	...	...	...	...	102	...	...
Chronic Diarrhoea	...	...	...	...	1	...	...	...	...	25	...	...
Abscess of Liver	...	...	...	...	...	...	...	...	...	...	...	...
Cancer	...	...	...	...	...	...	...	...	...	...	...	...
Appendicitis	...	...	...	1	...	1	...	...	...	...	...	...
Cardio-vascular Diseases	...	...	...	...	3	...	1	...	...	...	...	...
Bronchitis	23	...	4	11	1	...	...	...	...	28	...	...
Diseases of Kidney	1	...	...	1	...	...	...	1	...	...	...	...
Heatstroke	...	...	...	...	...	...	...	...	...	...	...	...
Suicide	...	...	...	...	1	...	...	...	...	...	1	...
Trachoma	...	...	...	4	...	...	...	...	...	...	...	...
Conjunctivitis	15	...	...	123	3	...	...	...	...	41	...	...
Fistula	5	...	...	4	3	...	...	...	...	1	...	...
Hæmorrhoids	9	...	...	1	3	...	...	...	...	6	...	...
Diseases of the skin	29	...	...	43	1	...	...	...	...	958	...	...
Gonorrhœa	17	...	...	25	7	...	...	2	...	103	...	...
Chaneroid	4	...	...	15	5	...	...	...	...	166	...	...
Severe injury	1	...	1	1	5	...	...	...	...	...	...	...
Slight injury	48	...	...	67	27	...	...	...	...	459	...	...
Slight ailments	137	...	...	151	17	...	...	...	...	152	...	...
All other causes	48	...	2	54	39	1	3	5	...	249	5	...
Total	391	5	11	651	155	3	13	19	0	2,565	104	2
				Indian Police		Chinese Police		Prisoners				
Number of out-patients				945		516		106				
Average number of days off duty sick				7.05		4.8						
Average strength of force				585		1,316						
Vaccinations at Police Hospital				86		166						
Vaccinations at Gaol										2,281		
Admitted to Gaol										3,851		
Average number in Gaol										1,840		

VI.—SANITARY INSPECTION.

By means of a system, inaugurated nine years ago, of examinations in Public Health work as applicable locally, divided into three stages each carrying extra pay, health inspectors, recruited locally, are being trained to a higher state of efficiency. In addition, monetary encouragement is given to obtain, while on long leave, the certificates of the Royal Sanitary Institute and other examining bodies in touch with sanitary work. As a rule, our inspectors find little difficulty in obtaining these home certificates. A knowledge of the Chinese language by the foreign sanitary staff is compulsory, being essential for the conduct of health work among the Chinese population and for the proper control of the large Chinese staff. As regards general qualification it is recognised that a sanitary inspector is greatly handicapped in his work unless he has tact, courtesy and patience. Working with a population in which Chinese so largely predominate and where the foreign community is made up of so many different elements, much health work remains pioneer work, and calls for initiative on the part of each member of the foreign inspecting staff.

Branch Health Offices.

The Branch Health Offices in each of the sixteen sub-districts into which the Settlement is divided for sanitary purposes have proved indispensable centres for sanitary work. Each Office controls the sanitation of the Sub-district in which it is situate, an area containing some 40,000 inhabitants, or 4,000 houses. Complete sets of books for record are provided. Vaccinations are done weekly during the proper season; public-health notices are distributed; enquiries are answered; deaths and cases of infectious disease may be reported and health talks are given weekly. The Sub-district has been made the sanitary unit with its own complete staff and the Sub-district Office is a Health Office in miniature full of possibilities for the future.

Public Health Notices.

The circulation of public health notices in Chinese has been found to be a good way of propagating sanitary knowledge. The following notices have been widely distributed, namely: the general Public Health Notice, the Tuberculosis, Vaccination, Cholera, Plague Prevention and Mosquito notices. A translation of such parts of the Annual Report as concern the Chinese population has been made and distributed. A translation of the Public Health Notices into Japanese has also been made for the benefit of the Japanese community. A booklet in English and Chinese giving a simple account of the causation and prevention of Tuberculosis of the Lungs is available for distribution. A notice in English and Chinese giving information regarding Rabies is also available. As there seems to be a genuine desire for a print relating to Scarlet Fever on the lines of the other notices, this is being met so that no means of diffusing sanitary knowledge may be missed.

Lectures.

A Chinese of the educated class is provided for each District to lecture on health matters once weekly at each Branch Health Office. The subjects taken are those appropriate to the season, such as the notices dealing with vaccination and Smallpox, plague prevention by rat-proofing houses and rat destruction, Scarlet fever, Tuberculosis, Cholera, mosquito reduction and general preventive measures. At many of the native schools the same lecturer gives short lessons to the pupils by arrangement with the schoolmaster, and is generally well received. These "Health Talks" for Chinese at the Branch Health Offices and Schools reach some 3,000 persons each week and are bound to gradually instil the sanitary idea. Much more is hoped for in the future as lantern slides, pictures and models become available. Health cinematographic demonstrations in the Markets during the hot summer evenings is a possibility. The object constantly kept in view is to get more closely into touch with the people so as to carry out preventive work by co-operation rather than by compulsion.

Proposed Health Museum.

It is proposed to have a health museum in the new Municipal building, where lantern slides, pictures and models may be prepared and kept; and where lectures and demonstrations will be given and lecturers trained for Branch Health Office work.

Chinese Dwellings.

The question of Plague has an important bearing on the construction of Chinese dwellings. This was recognised at the time the Chinese Building Rules were first drawn up. It is held that a house which provides places where rats may obtain seclusion is insanitary on account of the special danger the Settlement runs from Plague. The Chinese Building Rules now prohibit hollow ground floors, hollow ceilings to ground floor rooms and hollow lath and plaster walls and partitions, all of which are important plague preventive measures. The important question of rat-proofing the roof and roof space remains to be solved and it is one which should no longer baffle the ingenuity of the more progressive architects. The common rat in Shanghai is a roof rat (*Mus rattus* 70% local species). What is wanted is a non-inflammable roof material impervious to rats and providing no hollow spaces accessible to rats which at the same time will be durable, rainproof and comparatively non-conducting as regards heat. In view of the overcrowding and the fondness of the Chinese for roof stages it is thought that a flat roof of reinforced concrete might be designed suitable for a house of Chinese construction. Such a roof, besides being ideal from the plague point of view by excluding rats, would have the additional advantage of providing a place for airing and storage of odds and ends and be less dangerous from the point of view of fire than the present stages, which greatly interfere with ventilation and lighting of the back yards. An ordinary Chinese curved tiled roof provides unlimited accommodation for rats. Each row of overlapping tiles forms a run; while the tiles are so loose and soft that rats can without difficulty penetrate and live in comfort and seclusion within, at the same time having ready access to the interior of the house. It should be remembered that ceilings in Chinese houses are a foreign innovation, and by no means a desirable one from a sanitary point of view. Further particulars will be found under the heading of Plague.

It is proposed to take action if possible against the common practice of making houses insanitary by means of alterations after occupation: *e.g.*, it is a common practice to remove the stairs and place them in the back yard, the latter being then covered over and used as a kitchen, and the kitchen used as an additional sleeping room or let to another family. The front yard is often covered over. Both of these yards are necessary for ventilation and should be maintained freely open to the sky. Partitions are erected and lofts fixed to make additional sleeping accommodation. The drying stage also is often boarded over to make an additional room. All this is done to allow more people to occupy the house so as to raise enough money to pay the rent. Most houses are occupied by two or three families.

Foreign Dwellings.

The attention of architects is called to the clauses in the Public Health Notice headed "Kitchen," wherein it is recommended that every house should, if possible, have a serving-room adjoining the dining room and separate from the kitchen. The serving-room should be fitted with a washing-up sink, germ-proof filter, shelves for all the table utensils, groceries, etc., and room for the ice-chest. It is held that the separation of the serving-room from the kitchen is an important means of preventing those food infections, which are so prevalent in Shanghai and which are brought into a house chiefly by infected vegetables. Cooking destroys the infective material, so that food that leaves the kitchen should reach the table without contamination. This can be ensured by having table utensils kept in, and the service of food done from a serving-room kept quite separate from the kitchen. The serving-room should be rather a part of the dining-room than of the kitchen. As an additional safeguard a place for the washing and preparation of vegetables prior to cooking may be provided in the yard outside the kitchen. A great number of foreign houses lack a proper serving-room and use the space under the staircase for that important purpose. This space is usually too small, dark and ill-ventilated and is often without a washing-up sink. The wooden zinc-lined sinks are frequently abominable, and glazed earthenware sinks with proper waste pipes of lead should replace them.

Most foreign houses including recently erected big blocks of offices and flats (not reinforced concrete), are infested with rats and, should Plague become prevalent, may become a source of great danger. In these houses the gratings under the ground floor are generally found loose or broken so that the interior of the house is easily accessible to rats, which then make use of all the hollow spaces which ceilings and lath and plaster partitions provide. It is advisable to have the ground floor as far as possible solid. The floor of the kitchen, larder, and outhouses should be solid and of cement if possible. Lath and plaster partitions should be avoided, but if used may be made fairly rat-proof by being constructed solid for about a foot from the floor, as rats generally obtain access by gnawing through near the floor level. Reinforced concrete construction is particularly suited to local conditions in view of the special need for rat-proof buildings.

The absence of any special reference to lath and plaster partitions in the Building Rules is a grave sanitary defect. These hollow partitions result in practically every new dwelling house not of ferro-concrete construction being soon over-run by rats. The small additional cost of solid partitions or the occlusion of the portion near the floor and ceiling by some rat-resisting material would compensate the tenants by the freedom from such troublesome parasites as rats, without considering the plague danger. As regards hollow ceilings there is a tendency towards solid floors and flat roofs in modern building construction which indicates that in the near future an architect who designs a building wherein rats may live and multiply unmolested may be looked upon as an enemy of society. It will become more and more evident as time goes on that building rules are defective which do not build rats out of all buildings.

Those about to rent houses are advised to ask the Health Officer for a sanitary inspection and a certificate of good sanitation before closing with the landlord.

House Refuse.

The disposal of house refuse is beset with difficulties, but they have so far been satisfactorily met. Owing, however, to the great increase in the population the difficulties of safe disposal are increasing. Prior to 1909 house refuse was all barged away beyond Settlement limits but the large quantities which were dumped into the Whangpoo and the Soochow Creek led to justifiable complaints from the Harbour Authorities. Since then great improvement has been effected mainly by developing a demand for house refuse for agricultural purposes and by using the burnt-out remains of refuse heaps for raising low land mainly as an anti-mosquito measure. At the present time all house refuse, amounting to some 130,000 tons annually, is either disposed of to country boats as a manure or used for raising low land. What is wanted are several sites where refuse can be stored for two years, that is to say, until it has had time to purify itself, when it can be used for almost any sort of raising purpose and particularly for gardens. As the banks of the Soochow Creek are getting rapidly built up, it is becoming increasingly difficult to obtain dumping sites near enough to give the boats time to return to the shoots by the next morning. The quantity of refuse that has to be dealt with during the summer months (when there is no demand from up country for agricultural purposes) is enormous. It may become advisable to have refuse destructors, especially in the neighbourhood of the Hongkew Creek where there are fewer facilities for disposing of refuse by boat on account of the difficulty in navigating refuse boats on the Hongkew Creek and the Whangpoo river. However, a destructor leaves some 30% of ash still to be disposed of, and cannot be compared to the present method for purposes of economy, costing some 50 cents a ton for disposal as against 3.4 by the present method.

Owing to increasing difficulties with the unloading staff and in the finding of suitable dumping sites after a period of ten years development by departmental work, during which a demand for refuse for agricultural purposes was created and its legitimate use for raising purposes within the Settlement established under suitable restrictions, a reversion was made to the original plan of requiring the Contractor to provide dumping sites and unloading staff. This, owing to the development made during the intervening period as to proper disposal of refuse, has resulted in greatly improved work at a reduced cost. Increasing difficulty is, however, being met with from the native small officials when it becomes desirable to dump refuse outside the Settlement.

The cost of disposal was \$6,486, as against \$8,305, \$6,430, \$7,105, \$4,910, \$3,700, \$1,602 \$2,494 and \$5,782 in sequence of the preceding nine years. The cost of collection of house refuse in Shanghai is 18.2 Mexican cents a ton and of disposal of the same 3.7 cents a ton; together 21.9 cents a ton, or 5½*d.* a ton, as against 9*s*/1*d.* for London house refuse.

House Refuse Disposal.

Shoots	Yang-tzepoo	Fearon	Kansuh	Shan-tung	Thibet	Mark-ham	Total
Tons collected and brought to the shoots @ 5 barrowloads to the ton	0	26,518	21,118	17,362	63,879	0	128,877
Tons sent to Depôt ascertained by cubic measurement of boatloads leaving shoots	0	11,927	6,270	14,501	27,320	0	60,018
Tons sold to country-boatmen for agricultural purposes	0	14,527	14,848	2,860	36,289	0	68,524
Average price per ton cents	0	6.3	8.0	4.9	5.4	0	6.15
Tons not brought to shoots used for filling and raising purposes	7,340	15,259	2,837	0	0	18,397	43,833
Receipts from filling and raising \$	0	146	0	0	0	400	546
Paid boat contractor who also has the privilege of sale of refuse to country boatmen at the shoots \$	0						
Dredging Tls.	0	5,155.53	78.50 \$24.58	142.25	145.20	0	5,060 738
Depôt							
Tons dumped at depôt ascertained by cubic measurement at the depôt @ 50 cubic feet to the ton allowing 25% for shrinkage							
							59,988
Cost of Labour for unloading							\$1,234
Dredging							0
Total cost during the year							\$6,486

Ultimate Disposal of House Refuse.

	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
Sold to country boatmen for agricultural purposes	38.7%	57%	45%	40.5%	52%	58.7%	48.1%	42.8%	43.8%	38.7%	39.6%
Used for filling and raising low land	0	3.4%	21%	21%	16.6%	15%	22.4%	25.6%	22.1%	22.8%	25.5%
Dumped at Depôt	61.3%	39.6%	34%	38.5%	31.4%	26.3%	29.5%	31.6%	34.1%	38.5%	34.9%
Cost of disposal per ton in Mexican cents	7.3	7.1	5.4	5.5	4.5	2.7	1.1	1.7	2.5	3.4	3.7

House Refuse Receptacles.

Primarily as a plague preventive measure, in order to limit the food supply of rats, 5,431 house refuse receptacles, rat-and-fly-proof, have been erected during the past six years. After years of experiment, the form of receptacle now erected appears to fulfil its object best. The Chinese like them and mostly use them instead of throwing their garbage outside their doors; so that in all save the worst neighbourhoods a marked improvement in the cleanliness of alleys is found. It is apparent that rats will thus be deprived of a vast store of nourishment and, as the rat population is to a large extent regulated by the amount of the available food supply, this is held to be a radical plague preventive measure. There are, however, too many cases where the Chinese fix open the self-closing lids and will not take the trouble to place their house refuse within the receptacle. This entails a large number of prosecutions; but the punishment inflicted by no means puts a stop to the insanitary practice—insanitary both from the point of view of fly-carried disease and of Plague.

Creeks.

Regarding these important natural tide-flushed drains, the object has been the abolition of stagnant water and the maintenance of tidal channels open, clean and clear. When a creek gets into such a condition that a daily tidal flushing is not obtainable, its conversion into a covered sewer is, if it is in a residential

district, generally desirable; but the filling-in or culverting of creeks that are accessible to all tides is seldom advisable from a sanitary point of view.

Mosquito Reduction.

A special staff was organised which worked from the middle of March until the end of October. The work of the Chinese staff required very careful foreign supervision, as the results of good work were not directly apparent and the detection of bad work required assiduous care on the part of the foreign Inspector.

Co-operation was obtained from a few Foreigners but most Chinese showed complete indifference, amounting occasionally to active opposition. No prosecutions were undertaken to enforce these mosquito extermination measures.

A good class of coolie was obtained, paid at the rate of \$10 monthly, and fines inflicted on finding mosquito larvae in places recently worked through. The coolies worked in couples in an area exactly delimited. Each area was further sub-divided into seven for each day in the week and a time-table kept so that it could be known exactly where each mosquito couple was working at any time. The Inspector accompanied and gave detailed instructions to each pair of coolies early in the season and made written notes of those unusual places where stagnant water was likely to be found, such as Chinese gardens, empty houses, defective paving, gullies in unfrequented places, etc. *i.e.* those places which were likely to be beyond a coolie's intelligence to think of or beyond his courage to enter; these places subsequently received the special attention of the Inspector. Practical roadside demonstrations were given of the way mosquitoes develop and how to prevent them developing by getting rid of all collections of stagnant water.

With greater attention to detail and increased foreign supervision considerable further improvement is anticipated. But though persuasive methods are theoretically very excellent, it is found in practice that nothing short of making mosquito breeding a punishable offence will succeed in making mosquito reduction work in Shanghai quite satisfactory.

MOSQUITO NOTICE.

NO STAGNANT WATER—NO MOSQUITOES.

Mosquitoes carry *Malaria* and other diseases.

Mosquitoes cannot multiply except in *stagnant water*. Where stagnant water cannot be abolished the use of kerosene sprinkled on the surface so as to form a film will kill mosquito "wrigglers," as it prevents them breathing when they come to the surface.

Old tins and bottles, broken crockery, flower-pots and unconsidered articles of this kind capable of holding rain water should be carefully collected from the garden and backyard and placed in the house refuse receptacle for removal.

Tubs, kongs, water plants, flower pots, saucers or other vessels of water which cannot be dispensed with should be emptied or sprinkled with kerosene once a week.

Gardeners' kongs, dug-outs, wells, and water barrels should be done away with, water for the garden, etc. being derived directly from the tap or, if that be impossible, the kongs, etc., should be oiled once a week or kept securely covered so that mosquitoes cannot get to the water to lay their eggs.

Have the water from kennels, chicken coops, etc., regularly emptied out.

Keep drains and rain water roof channels clean and clear and in good repair. Gully traps that are not frequently flushed should be oiled weekly.

Shallow rain water pools and slushy places can generally be obliterated by a scratch drain or levelled with house ashes, ponds and ditches by filling-in with house refuse covered with a little earth or ashes.

Ornamental ponds may be kept free from mosquitoes by small fish but, if mosquito "wrigglers" be found, the water should be oiled weekly preparatory to filling-in.

A weekly inspection of house and surroundings should be made. It may be remembered that a small unheeded pot of water will suffice to breed sufficient mosquitoes to irritate a whole neighbourhood.

The following practical notes were made from observations made during the year:

Culex fatigans is a house mosquito which multiplies mainly in clean or foul puddles, dug-outs, street gullies, sewage, nightsoil and water kongs, flower-pot saucers, water plant containers, tins and pots and in neglected yards. Strictly a night flier from sunset to midnight and after, from April to October, markedly diminishing during late summer dry periods.

Stegomyia scutellaris, the 'tiger mosquito,' breeds in clean water, *e.g.* rain water, roof gullies, flower-pot saucers. Mostly seen during the day time in September.

Anopheles sinensis breeds in the weedy margins of pools, gullies choked with vegetation and in rain pools among grass. Occurs at all times when *Culex fatigans* is found.

The chief natural enemies of the larvæ are the small surface minnow, *Haplochitus melastigma*, which is very common among the water plants on the surface of the small creeks and ponds, dystiscidæ (water beetles) and the voracious dragonfly larvæ.

The mosquitoes themselves are consumed in large quantities by bats and dragonflies.

Kerosene, half an ounce to the square yard, is the best larvicide, the thicker oil not spreading so well and leaving dirty marks. The killing power of oil is less than is usually imagined owing to the difficulty of maintaining a perfect, uniform, complete and suffocating film for a sufficient length of time.

A room may be freed from mosquitoes by vaporising pure carbolic acid, 4 oz. per 1,000 cubic feet. Incense sticks made of Pyrethrum powder obtained from the flower of certain chrysanthemums are pleasanter to use, but only stupify and do not kill mosquitoes.

Flies.

The fly picks up diseases and hands them around. He contaminates food with his feet and is a germ carrier of the most pestilent kind. Against what has been truly described as "the deadly house fly," the careful collection and disposal of house refuse is a measure of primary importance. Among other public measures has been the requirement as one of the conditions of licence, in premises licensed for the purpose of safeguarding the food supply, of adequate means being taken to prevent the access of flies to foodstuffs by the use of perforated zinc in windows and spring slam doors. This screening against flies is also an important individual measure and should be applied to the serving room, kitchen and servants' latrine; while cleanliness should be maintained in and about the house, so as to deprive the insect of food and of breeding-places. The provision of 5,431 fly-proof cement and iron refuse receptacles throughout the Settlement had for one of its objects the diminution of flies.

Laundries.

All the laundries within the Settlement are licensed and regularly inspected. The system of sanitary control has been one of frequent inspection, so as to make the licencees reluctant to transgress the terms of their licences, rather than one having for its object a large number of prosecutions.

Lodging Houses.

The native lodging houses and hotels have been regularly inspected and those of the lower class periodically disinfected, and permanently rat-proofed.

Lime-Washing.

During the year all the premises licensed for Public Health purposes have been lime-washed and cleansing operations of the nature of disinfection have been carried out in insanitary property in many parts of the Settlement.

Waterclosets.

With regard to the question of waterclosets the Health Office now seems to play the part of Cinderella. Having done its duty in safeguarding the water supply by preventing the introduction of waterclosets for some fifteen years, it now has to perform the difficult, thankless and menial task of collecting and disposing, as safely as may be, of the contents of watercloset cesspools. Now that big blocks of Chinese owned and occupied property and Foreigner's servants are being supplied with 'sanitary toilets,' their number appears likely to increase more rapidly than was anticipated. This multiplication of cesspools cannot be contemplated with satisfaction. So that we look for guidance in the near future to the wide experience of Professor Fowler as to the best way of dealing with watercloset sewage. Full reports on the question have been furnished with the object of supplying all necessary data for arriving at a satisfactory decision.

There are now some 500 waterclosets in all in the Settlement, 145 having been added during 1917. Of these 313 are in the Central District, from which 835,738 gallons of cesspool sewage was removed by hand cart during the year. Allowing for the date of installation, the average daily quantity for each water-closet was 9 gallons. A large office building with residential flats having 48 waterclosets averaged 20 gallons each per diem; an office building with 1 watercloset averaged 33 gallons per diem; and a club with 3 water-closets, averaged 58 gallons for each watercloset per diem, which was the highest yield met with. The estimate made in the Health Officer's report for October 1915 that waterclosets increase the bulk of the stuff to be removed 20 to 60 times as compared with nightsoil from commodes seems to be borne out by these figures.

Ordure Removal.

The removal of ordure continues to be efficiently done and is a source of considerable profit to the community. The amount paid monthly by the contractor in the sequence of agreements was in 1899 \$3,200, 1902 \$4,100, 1905 \$5,300, 1908 \$6,000, 1910 \$7,500, 1913 \$10,050 and for 1916 \$14,800. The present contract expires December 31, 1918.

Exceptional difficulties were met with during the year in effectively disposing of nightsoil. The exceptionally intense cold of January, reported to have been greater than for twenty years, made the country boats ice-bound in the small creeks and unable to come to Shanghai to purchase fertiliser. Apart from this, crops, especially rape, were reported to have been destroyed, lessening the demand for fertiliser. These, together with trouble from defaulting sub-contractors and the excessive quantity of unmarketable watercloset cesspool contents, which had to be removed in the same way as nightsoil, is given by the Contractor as the reason for a serious progressive deficiency in the monthly payments made.

As regards the disposal of the contents of watercloset cesspools the Contractor is under agreement to empty and dispose in the same way as nightsoil. The boatmen who come to Shanghai to buy nightsoil refuse to take the highly diluted watercloset stuff. Some, however, is disposed of to the boatmen by admixture with ordinary nightsoil. The remainder is placed in boats ostensibly with the object of disposal according to the terms of the agreement but actually it has been seen being discharged into the waterways and the repeated infliction of the maximum penalty for non-fulfilment of the agreement has not succeeded in effecting the desired result. Moreover, the pouring of the cesspool fluid in large quantities down street drains has been observed and suitably punished with similar results. Again, boats are reported by the Contractor as 'going to Pootung' and other places and disposing on land; and these, when followed, have been seen to discharge into ponds near the banks of creeks; but there is no evidence that the farmers use the liquid to any useful extent for fertilising purposes, nor is there any proper safeguard that most of the contents of the boats is not discharged into the waterways and no reasonable amount of foreign supervision can prevent it. Moreover, were the Contractor especially paid to dispose of the cesspool liquid according to the terms of the agreement, it is doubtful whether any material improvement would result: he would probably 'take the cash and let the credit go.'

Storage of Dangerous Materials.

The licensing and inspection of premises for the storage of materials dangerous to life and property on account of fire or explosion, placed in the hands of the Health Office in 1909, was turned over to the Fire Brigade in June; as the Fire Brigade now has facilities for such work which obviously is mainly concerned with the prevention of fire. The Municipal Laboratory will be at the disposal of the Fire Brigade for the necessary scientific investigation as occasions arise.

General Sanitary Work.

	District.				Total.
	Central.	Northern.	Eastern.	Western.	
Vaccination against Smallpox	4,114	5,460	3,922	4,270	17,766
Enquiries after notification of Foreign cases of infectious disease	28	245	79	107	459
Enquiries after notification of Chinese cases of and deaths from infectious disease	312	877	1,328	623	3,140
Rooms disinfected after infectious disease	1,659	13,304	2,933	2,779	20,675
Articles of clothing, bedding, etc., disinfected by steam	18,589	50,800	23,169	44,135	141,693
Houses cleansed and linewashed	179	3,750	5,390	849	10,168
Ventilation and lighting amended	1	1	255	0	257
Defective drainage amended	228	575	407	267	1,477
Insanitary wells abolished	0	0	1	1	2
Proper water supply provided	0	0	0	0	0
Rat-and-fly-proof refuse receptacles provided	53	56	48	62	219
Insanitary latrines and urinals rendered healthy	338	86	129	133	686
Ordure pits and kongs abolished	0	3	1,341	2,337	3,681
Exposed coffined corpses removed and buried	0	166	363	41	570
Smoke nuisances suppressed	2	35	16	6	59
Offensive trade processes amended	0	2	6	0	8
Beggar boats removed	0	0	163	2	165
Complaints of insanitary conditions received from the public	228	149	60	114	551
Insanitary conditions reported by the Health Office	697	1,259	1,431	717	4,104
Written intimations issued for sanitary amendment	6	68	47	47	168
Second written intimations issued for sanitary amendment	0	2	28	1	31
Notices of intention to proceed served	0	0	14	0	14
Samples taken for analysis	78	123	139	157	497
Pounds of unsound food destroyed	4,266	21,138	17,135	7,688	50,227
Outside Hawkers Licensed	5,148	6,250	5,010	2,400	18,808
Food prosecutions	134	891	342	67	1,434
House refuse prosecutions	295	809	892	70	2,066
Laundry and other prosecutions	3	88	33	18	92
Tons of ordure removed	20,580	29,558	36,800	17,215	104,153
Tons of watercloset cesspool contents removed	3,731	2,254	0	725	6,710
Tons of house refuse removed	80,970	40,853	28,755	18,397	168,975

Swimming Bath.

The Public Swimming Bath was open from May 1 to October 31. The number of persons admitted was 12,279 as against 11,327, 9,124, 9,831, 13,592, 14,104, 12,202, 14,321, 14,751 and 14,674 in sequence of previous years. 1,131 women and girls and 3,283 boys used the bath. The condition of the water was regularly tested and, by the use of one part in a million of copper sulphate at each filling, a satisfactory degree of purity was maintained and the "sore ears," so frequent an occurrence in local swimming baths, were seldom heard of. Lessons in swimming were given throughout the season by the Inspector on duty, 40 persons being thus taught this useful and healthy accomplishment.

Special facilities were given for the use of the bath, mostly outside the hours during which it is ordinarily open, for the Shanghai International Swimming Club, the Japanese Swimming Club, the Police Swimming Club, the Dixwell Road Tennis Club and the Thomas Hanbury School. It is proposed to increase the rapidity of outflow from the bath, the length of time hitherto taken to empty the bath interfering with cleansing operations. It is also proposed to tile round the edge of the bath as the present cement floor is unduly slippery.

VII.—FOOD.

As the preventable diseases specially prevalent in Shanghai are mostly caused by infected food, food inspection has been considered of paramount importance. The foreign food supply is under complete sanitary supervision and the same is gradually being done for the Chinese, premises being licensed as soon as the necessary conditions have been met.

Water Supply.

The periodic analyses of water supply by the Shanghai Waterworks Co. show that filtration is as a rule carefully done. The introduction of water-closets has emphasized the importance of establishing local standards of sewage contamination, so as to be able to detect smaller differences in the amount of such contamination.

Milk Supply.

There has been a progressive improvement in the quality of milk supplied as is shown by the analytical figures to be found under the heading of Laboratory. The standard of cleanliness in dairies has been maintained. The windows of the milk rooms are required to be unopenable and provided with perforated zinc instead of glass and the door with a spring slam to prevent ingress of flies. Cattle Plague is dealt with under that heading. Efforts are being made to prevent the smuggling of milk from unlicensed dairies outside the Settlement.

Aerated Waters, Ice Cream, etc.

Close supervision has been exercised over aerated water factories and places where ice-cream and iced drinks are made. A large number of samples were submitted to examination in the Municipal Laboratory and, especially in the case of ice-cream, a large proportion were found unfit for consumption. It is proposed to bring sellers of ice cream and iced drinks under the licence for 'Places of Refreshment,' the monthly fees which would be collectable only during the hot weather, to be assessed at the highest rate, namely, \$20 in each case, with the object of reducing danger to the public health. The sale of these articles by itinerant hawkers should not be permitted.

Fresh Food Shops.

The licensed butchers, poultry, game and vegetable shops have been kept in good sanitary condition. The regulation of fruit shops has presented great difficulty. Endeavour has been made to get the dealers to keep thin skinned fruits in fly-proof cases but with indifferent success. It is considered best to rely on the public, both Foreign and Chinese, to sterilise fruit, as it is impossible to ensure that fruit is not exposed to infection by flies at some stage of its journey from the plant to the consumer. The imposition of a licence fee of \$10 each quarter effected a satisfactory reduction in the number of dangerous fruit shops and stalls. As the life of a fruit shop or stall is too evanescent for a quarterly fee, a monthly fee of \$5 is proposed.

50,227 lbs. of unsound fruit, vegetables, etc., were seized, and destroyed after confirmation by a Magistrate and the Health Officer, or given to the Little Sisters of the Poor when left in the hands of the Police to escape prosecution. The native ice-cream and cool-drink dealers have received the attention of the Inspectors. The sale of cut melon has been discouraged. In every case where the sale of bad food was detected the vendors were given the option of prosecution at the Mixed Court or confiscation.

Residents are requested not to patronise hawkers of fruit and other foodstuffs who come to their houses.

Food Hawkers.

The monthly fee of two dollars for hawkers of fresh foodstuffs outside the markets has had an inhibitory effect, but a considerable number have escaped payment. These itinerant hawkers are calculated to do much harm by selling infected fruit, etc., on the streets and wharves. As a considerable number escaped licence the assistance of the Police was sought, which resulted in an increase of revenue of \$7,600 and an additional safeguard to Public Health. A further development is proposed next year by having the services of 16 Chinese Police Constables from May to September and of 8 during the remainder of the year. It is also proposed that hawkers of fruit and other foods considered dangerous to health according to a list posted in Municipal Markets pay a licence fee of three dollars monthly.

Meat Supply.

The examination of cattle and carcasses at the Municipal Slaughter House affords adequate protection of the meat supply. There was an increase in the kill during the year.

Good meat is stamped with a circular stamp for beef and a triangular stamp for mutton, pork and veal, with the words "KILLED MUNICIPAL SLAUGHTER HOUSE" and the date of slaughter. Meat inferior in quality, but free from disease, passed for sale on stalls only, is marked "2nd QUALITY." No meat for foreign consumption is allowed to be sold from any shop or brought into the Settlement unless it bears a Municipal stamp. Meat killed under proper supervision at Tsingtao has been permitted in Japanese shops.

Such grease-shops as are within the Settlement are under frequent inspection so that no nuisance or danger to Public Health is caused by them. 818 oxen, 1,024 buffaloes, 223 sheep and 132 ponies were dealt with at these places.

Markets.

The Purdon Market, at the corner of Purdon and North Honan Roads, was opened in September. It is constructed of reinforced concrete and so arranged that it can be used as a two-storied market when required.

The old section of the Hongkew Market will require reconstruction in conformity with the new section so soon as circumstances permit.

The permission of private markets, (*e.g.* the Hardoon and Ezra Markets), to function under licence somewhat reduces the necessity of providing further public markets.

Rejections at Slaughter House.

	Oxen.	Sheep.	Calves.	Pigs.
Cattle Plague	17	0	0	0
Tuberculosis	4	0	0	0
Liver flukes	6	0	0	0
Swine fever	0	0	0	19
Bruising	5	10	4	0
Poor condition	241	0	4	0
Other conditions	3	1	0	0
Total	276	11	8	19

Slaughter House Returns.

	Slaughtered.	Rejected.	Passed for Export from Cattle-sheds
Oxen	16,945	276	0
Sheep	27,954	11	37
Calves	3,862	8	0
Pigs	3,070	19	0

Variation in Price of some Common Domestic Things.

		1875	1880	1885	1890	1895	1900	1905	1910	1911	1912	1913	1914	1915	1916	1917
Beef	lb.	\$.07	.08	.07	.07	.08	.13	.17	.19	.19	.19	.18	.18	.18	.19	.19
Fowls	lb.	.11	.11	.12	.10	.10	.14	.16	.16	.18	.18	.19	.19	.19	.19	.20
Eggs	doz.	.07	.07	.08	.08	.09	.12	.14	.15	.16	.16	.16	.17	.17	.18	.18
Snipe	each	.10	.11	.12	.12	.12	.14	.17	.19	.19	.17	.17	.17	.16	.15	.15
Samli	lb.	.10	.10	.10	.14	.16	.20	.40	.40	.25	.25	.26	.34	.35	.37	.42
Potatoes	picul	1.60	.90	1.30	1.30	1.30	1.50	2.00	2.15	2.30	2.25	2.00	1.92	2.08	2.09	2.40
Milk	bottle	.10	.10	.10	.11	.11	.12	.14	.18	.18	.18	.18	.20	.20	.20	.20
Rice	200 lbs.	2.80	2.90	3.00	3.00	3.10	3.50	4.80	7.50	8.60	8.20	7.75	6.92	7.98	7.78	7.10
Barley	114 lbs.							2.40	3.45	3.85	2.65	2.70	2.97	3.00	2.87	2.66
Laundry	100				2.50	2.50	3.00	3.00	3.00	3.00	3.50	3.50	3.50	3.50	3.50	3.50
House Coal	Ton	Tls. 9.00	9.25	9.25	11.00	11.00	12.50	9.00	9.70	9.60	8.60	9.00	9.66	9.75	9.70	14.83
Exchange	Tael =	5/7½	5/2½	4/9½	4/4½	3/8½	2/8½	2/8½	2/4½	2/5½	2/8½	2/8½	2/5½	2/3½	2/11½	3/9½

Markets.

	1905.	1910.	1911	1912.	1913.	1914.	1915.	1916.	1917.
Maloo	380 stalls 380 spaces 19 shops	395 stalls 414 spaces 31 shops	387 stalls 459 spaces 26 shops	391 stalls 430 spaces 25 shops	393 stalls 413 spaces 26 shops	413 stalls 390 spaces 24 shops	398 stalls 376 spaces 25 shops	400 stalls 368 spaces 26 shops	397 stalls 345 spaces 22 shops
Hongkew	380 stalls 500 spaces	564 stalls 430 spaces	568 stalls 444 spaces	573 stalls 457 spaces	614 stalls 515 spaces	897 stalls 647 spaces	1088 stalls 61 spaces	1073 stalls 76 spaces	1086 stalls 115 spaces
Elgin	70 stalls 180 spaces	106 stalls 337 spaces	109 stalls 360 spaces	101 stalls 342 spaces	113 stalls 398 spaces	124 stalls 337 spaces	130 stalls 241 spaces	140 stalls 258 spaces	152 stalls 276 spaces
Sinza	56 stalls 80 spaces	115 stalls 328 spaces	112 stalls 363 spaces	133 stalls 318 spaces	176 stalls 321 spaces	176 stalls 350 spaces	168 stalls 318 spaces	174 stalls 319 spaces	226 stalls 224 spaces
Wayside	30 stalls 45 spaces	30 stalls 115 spaces	27 stalls 80 spaces	26 stalls 84 spaces	30 stalls 90 spaces	35 stalls 78 spaces	38 stalls 64 spaces	41 stalls 63 spaces	49 stalls 58 spaces
Mohawk	16 stalls 32 spaces	24 stalls 66 spaces	22 stalls 71 spaces	31 stalls 94 spaces	32 stalls 86 spaces	37 stalls 88 spaces	71 stalls 42 spaces	74 stalls 53 spaces	70 stalls 45 spaces
East Hongkew		72 stalls 202 spaces	69 stalls 202 spaces	70 stalls 217 spaces	77 stalls 204 spaces	80 stalls 191 spaces	81 stalls 158 spaces	88 stalls 165 spaces	91 stalls 155 spaces
Yangtsepoo		33 stalls 130 spaces	22 stalls 90 spaces	23 stalls 92 spaces	26 stalls 90 spaces	28 stalls 79 spaces	28 stalls 79 spaces	29 stalls 84 spaces	32 stalls 72 spaces
Quetta	—	—	—	—	—	—	47 stalls 116 spaces	34 stalls 93 spaces	30 stalls 67 spaces
Wuchow	—	—	—	—	—	—	—	29 stalls 32 spaces	33 stalls 33 spaces
Purdon	—	—	—	—	—	—	—	—	188 stalls 565 spaces

Prosecutions.

Offence.	No.	Penalties.
CENTRAL DISTRICT.		
Breach of lodging house regulations	2	Fined \$50 each.
Breach of food shop regulations	5	Fined \$2—\$5.
Unlicensed Hawkers (foodstuffs)	128	Fined \$1—\$5.
Dumping house refuse	295	Fined \$1—\$2.
Miscellaneous	1	Case sent to Chapei court.
NORTHERN DISTRICT.		
Breach of market licence conditions	17	Fined \$2—\$50.
Breach of food shop regulations	2	Fined \$3—\$10.
Breach of laundry regulations	6	Fined \$5—\$15.
Pouring ordure down drains	18	Fined \$5—\$10.
Contravention of Byelaw XXXIV	851	Fined 30 cents to \$3.
Dumping house refuse	891	Fined \$1—\$5.
Miscellaneous	35	Fined 30 cents—\$50 and 6 months' imprisonment.
EASTERN DISTRICT.		
Pouring ordure down drains	4	Fined \$1—\$3.
Hawking unsound fruit	342	Fined \$1—\$5.
Unlicensed hawkers (foodstuffs)		
Dumping house refuse	892	Fined \$0.30—\$1.
Miscellaneous	21	Fined \$1.—\$15
WESTERN DISTRICT.		
Breach of laundry regulations	2	Fined \$10.
Breach of foodshop regulations	3	Fined \$3.
Breach of lodging house regulations	2	Fined \$2—\$3.
Selling Milk from unlicensed dairies	8	Fined \$3—\$50 and/or 7 days—6 weeks' imprisonment.
Dumping house refuse	70	Fined \$0.50—\$2.
Hawking unsound fruit	9	Fined \$0.50—\$2.
Unlicensed Hawkers (foodstuffs)	35	Fined \$0.50—\$2.
Pouring ordure down drains	5	Fined \$2—\$10.
Miscellaneous	8	Fined \$1—\$15 and/or 2 weeks' imprisonment.

VIII.—CEMETERIES.

Bubbling Well Cemetery and Crematorium.—The first-class sections will afford accommodation for five years, allowing for 500 unused reservations. The second class plots will barely last one year but the remaining nursery land has been raised and should permit of interment by June 1918 providing sufficient space for nine years. The large circular plot at the west end, used at present as an ornamental shrubbery, will provide 250 additional spaces. The acquisition of the corner lot adjacent to the Bubbling Well is very desirable in view of the permanent mortuary buildings and for generally improving the appearance of the cemetery and its immediate surroundings. The corner lot would provide ten years additional first class burial space. Electric light was installed in the Chapel and Crematorium. The Crematorium furnace was thoroughly overhauled. There has been a satisfactory increase in the number of cremations.

Pahsienjao Cemetery.—This fine old cemetery has been satisfactorily maintained but is now closed for interment except in spaces previously reserved.

Shantung Road Cemetery.—This cemetery, which contains the mortal remains of many of the earliest residents of the Settlement, has been appropriately cared for and presents a neat appearance.

Pootung Cemetery.—The upkeep of this cemetery is a matter of some difficulty in the absence of a permanent wall round it.

Soldiers' Cemetery.—This Cemetery, which holds the mortal remains of those British soldiers who died in the early strenuous years of the history of the Settlement, 1862 to 1865, during the foreign military defence of Shanghai against the Taiping rebels, has been maintained in proper order.

Proposed New Cemetery.—The desirability of enforcing cremation might be considered in view of the high land value and the large areas of land which may be regarded as permanently wasted by interment. The rarity of visitors at the Pootung, Shantung Road and Soldier's Cemeteries seems to indicate wasted resources in this respect. When the immediate relatives of the deceased have themselves been removed by death, the actual place of interment loses its poignant value and usually matters little; so that the memory of the departed might be more beautifully and respectfully shown by a single memorial suitably inscribed in permanent bronze, and the rest of the ground freed for hospital, public garden or other useful purpose, could it be permitted under the instrument of trust. A new cemetery should be readily accessible by street car and it would be inadvisable to place it further from the residential area than is absolutely necessary. The Western District seems preferable to any other, as the increasingly predominant foreign residential district. An area of 60 mow would, allowing space for pathways, etc., provide 7,200 burial spaces, say 20 years' accommodation: as compared with the Bubbling Well Cemetery, including corner land, which provides 5,500 burial spaces.

Cemeteries.

	Year Opened.	Year Closed.	Total Burials.	Burials 1917	Spaces available for Burial			
					Reserved		Unreserved	
					1st class	2nd class	1st class	2nd class
Soldiers	1862	1865	305					
Pootung	1859	1904	1,783					
Shantung Road	1841	1871	469					
Pahsienjao	1869		3,181	41	324	62	0	0
Bubbling Well	1898		2,706 and 252 cremations	191 and 23 cremations	451	28	690	125

Public Mortuary.

Month.	Foreign bodies	Chinese bodies	Autopsies	Inquests
January	6	17	4	8
February	9	14	3	9
March	9	19	6	4
April	6	24	5	4
May	3	16	5	5
June	5	19	2	3
July	6	15	5	3
August	6	21	4	11
September	6	15	4	4
October	3	16	0	1
November	5	13	1	2
December	4	13	4	5
Total	68	202	43	59

ARTHUR STANLEY,
Health Officer.

HEALTH RESEARCH.

The following correspondence with Mr. E. S. Little sets forth the Council's views on the subject of research work at the Municipal Laboratory ;—

Shanghai, July 25, 1917.

DEAR SIR,—Following my letter to the Public Press on the subject of Research, may I, as a Ratepayer, respectfully direct your attention to the subject.

I am convinced that we ought as a community to now prepare to go, as exhaustively as we can, into research work on the most modern scale. Our especial attention should be directed to the particular enemies of the Public Health which flourish in our midst.

I imagine the Council will not require any special mandate from the Ratepayers to carry out what is after all only a definite extension of an already existing Department.

I should appreciate an expression of the Council's opinion on this matter.

Yours faithfully,
ED. S. LITTLE,

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

(Enclosure)

Shanghai, July 23, 1917.

SIR,—The incidence at one time of plague, at another of cholera and now of scarlet fever, emphasizes the fact that we, as a community, are not doing our bit in scientific research.

I understand improved laboratories in connexion with our Health Department are under construction. We ought, with as little delay as war requirements will allow, to institute a well-equipped and staffed department for special health research work.

The Council would be well advised at the next Ratepayers' meeting to ask for Tls. 100,000 for this purpose. I am quite aware that finances are at the moment none too easy and that now is not the most opportune moment to get men out from home. Nevertheless powers to the above end should at once be taken.

We have good men in the Health Office doing ordinary routine work who could render the community greater service in research work than doing what more junior men, who will be available after the war, can adequately perform.

It may be objected that people at home are doing research work under better conditions than those prevailing out here. I think it will be generally agreed that is no sufficient reason why we should not do our part.

I am, etc.,
ED. S. LITTLE.

To the Editor,
"NORTH-CHINA DAILY NEWS."

Council Room, Shanghai, October 12, 1917.

SIR,—I am directed to refer to your letter of July 25 calling the Council's attention to your letter to the public Press of July 23 on the subject of health research, and requesting an expression of the Council's views on this question.

In reply I am directed to inform you that this question is touched on in the second paragraph of the Health Officer's report of 1909 (Annual Report, page 107) as follows :—

"The prevention of any disease necessarily depends upon a knowledge of its cause. It is therefore of primary importance to maintain the Municipal Laboratory in a condition of maximum efficiency, as it is in the Laboratory that the cause of disease is mainly worked out: the Laboratory is, as it were, the brain of the Public Health organism. Routine work has increased out of all proportion to the size of the Health Office building, so that there is now little room for research work nor time for the present staff to engage in it. An extension of the Laboratory is desirable, and an assistant engaged in research work only would be a valuable addition to the staff. It would appear to be best to have research workers nominated from the home schools for a limited period from time to time to specialise in such subjects as would prove of most use, direct or indirect, to the health of the community. The field of pathological research in China is practically unworked. There could be no greater primary benefit to the health of the community than that which would result from continuing to make the Shanghai Municipal Laboratory a place for research work. No subject connected with medicine has been so much developed of recent years as that of parasitology in its relation with disease. These are great days of preventive medicine, and laboratory studies have produced a power against disease never before exercised either by sanitarian or practitioner."

Research work by the Health Office would be no new development. In the organization of this Department the Laboratory was made the centre of work, and during the early years considerable time was devoted to research. The results, apart from the numerous references in the Annual Reports and in miscellaneous papers, have been published by the Health Officer as follows:—

- 1901 Journal of Hygiene—Anti-rabic work in Shanghai.
- 1901 Journal of Tropical Medicine—Beri-beri and the heart.
- 1902 Journal of Hygiene—Limitation of cattle-plague by gall immunisation.
- 1902 British Medical Journal—Diphtheria Anti-toxin eruptions.
- 1902 Journal of Hygiene—The nature of Beri-beri.
- 1903 British Medical Journal—On sudden heart failure in toxæmic conditions.
- 1906 Journal of Tropical Medicine—Malta fever in Shanghai.
- 1909 China Medical Journal—Heatstroke, etc.
- 1913 British Medical Journal—Beri-beri and the "Rice Theory."

At present not only is the time of the staff of the Health Department, which is considerably below strength, fully occupied on the ordinary work of the Department, but the Laboratory accommodation is overtaxed and it would not seem to the Council to be advisable to make further provision for research work until the transfer to the New Central Offices is effected.

Assuming that the war is over by then and suitable applicants are available, the Council will give consideration to an adequate increase in the existing scientific staff of the Health Office, for it fully recognises that money judiciously spent on research work is money well spent. It should be noted, however, that there will be no necessity to set aside a special sum for Laboratory provision such as you suggest: that has already been done, or will be done as a matter of course in connexion with the accommodation provided in the new Central Offices.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

ED. S. LITTLE, Esq.

Shanghai, October 17, 1917.

DEAR SIR,—I beg to acknowledge the receipt of your letter dated October 12 upon the subject of research work and to thank you very cordially for the full information you have given me in reply to my enquiry.

As a ratepayer I am more than pleased at the attitude of the Council and am quite satisfied that the Council will vigorously prosecute this matter of research work as soon as the conditions referred to in your letter are suitable for that purpose.

I am, Dear Sir, yours faithfully,
ED. S. LITTLE.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

SHANGHAI GENERAL HOSPITAL.

The increased cost of building materials, due to the conditions prevailing as a result of the war, threatened, at the outset, to postpone indefinitely execution of the scheme approved in 1915 for the further extension of the west wing of the Hospital. Tenders for the work of construction were obtained in March 1916: finding that the expenditure involved amounted to Tls. 158,000 more than had been anticipated, the Governors addressed representations to the Council, requesting it to extend its guarantee in respect of the Hospital's bank overdraft to cover two-thirds of this sum, the French Council as on former occasions being asked to guarantee the remaining third.

As compliance with this request would largely augment the heavy financial responsibilities already assumed by the Council, *vide* page 107A of the Annual Report for 1915, serious consideration was devoted to the question of the advisability of proceeding with the scheme of extension pending the return of normal conditions. As indicated in the appended correspondence this entailed exhaustive investigation of the present and future needs of the Settlement in respect to hospital accommodation, close examination of the financial arrangements involved by the completion of the extension scheme and a searching enquiry into the circumstances contributory to the deficit disclosed in the Hospital's working account during recent years.

In the light of the information revealed by this careful analysis and after due consideration of the deliberations of a Special Committee appointed to consider the question in all its aspects, the Council was satisfied that an urgent need existed for provision of additional hospital accommodation, and further, that probably little, if any, expense would ultimately be saved by postponement of the extension scheme until the conclusion of the war. Accordingly, in this sense, the matter was submitted to the ratepayers, who, at their last Annual Meeting on March 21, accorded their sanction to an increase of the Council's guarantee of the Hospital overdraft from an approximate amount of four lakhs to such sum as may be required for carrying out the extension, including furnishing, not exceeding a total guarantee of Tls. 530,000.

In September, the Council was notified by the Hongkong and Shanghai Bank that from October 1, and so long as the present abnormal conditions prevailed in the money market, the rate of interest charged on the Hospital's overdraft would be raised from 6 to 7 per cent. As no change in this respect was contemplated by the Council when the matter was submitted to the ratepayers in March, the Council at first felt precluded from complying with the request contained in the appended correspondence; recognising, however, that circumstances had arisen which justified re-consideration of the matter, it was eventually decided to inform the Governors that, subject to the ratepayers' confirmation, the Council would temporarily assume responsibility for interest on the overdraft at the rate of 7 per cent. per annum:—

Shanghai, March 24, 1916.

SIR,—At a meeting of the Hospital Governors held on the 23rd instant, it was unanimously agreed to accept the lowest tender, that of Wong Kor-sung Tls. 228,886 for the erection of the west wing of the Hospital, construction to be begun at once.

I am directed by the Governors to communicate this decision to the Municipal Council and to point out that the increased cost now, as compared with the estimates of a year ago, is in consequence of conditions that prevail in connexion with the war. A copy of Messrs. Moorhead and Halse's letter of March 9, 1916, giving details of tenders and estimates, is enclosed.

The supplementary estimates are not yet binding but it may be necessary to make some of them so at once, whilst with the others it may not be requisite to obtain tenders until a year or eighteen months from the present time.

The architects have assured the Governors that sufficient metal material to carry out Mr. Wong Kor-sung's contract is either on the spot or in transit.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

(Enclosure.)

Shanghai, March 9, 1916.

DEAR SIR,—In accordance with instructions, we have prepared drawings, details, and specification of the proposed new west wing, and have obtained tenders for the erection thereof, the four lowest of which are as follows:—

Kuang Yu-kee	Tls. 249,800	22 months.
Koo Lan-chow	242,500	24 "
Sin Jin-kee	239,500	20 "
Wong Kor-sung	228,886	24 "

Taking the lowest estimate as a basis, we estimate the total cost as follows:—

Wong Kor-sung's estimate	Tls. 228,886
Low pressure hot water heating system	27,500
Fire protection service	4,800
Cold water supply service	2,850
Hot water supply service	5,860
Sanitary fittings	7,300
Wastes and fixing fittings	2,500
Water closet system	2,850
Locks, bolts and hardware	8,960
Floor tiles and patent stair treads	17,350
Tile dadoes	5,480
Tile linings for light and air wells	8,820
Electric light and bell installations	7,460
Steel casements	31,000
Glass for casements, borrowed lights, etc.	7,947
Electric lift	6,000
Firegrates	360
Strong room door	500
Lift enclosure and stair balustrades	6,768
Wrought iron gates and balustrades	4,900

Estimated total cost Tls. 388,091

The estimates for materials to be imported from Europe are based on an exchange of 2s.6d. and present freight rates. In cases where actual estimates have been obtained, they cannot be kept open for any length of time as conditions are fluctuating from day to day and business conditions are more or less impossible.

We are sending herewith coloured sunprints of plans, sections, and elevations. The specification you have, so that your Committee will be in a position to know what the estimate covers.

Yours faithfully,
MOORHEAD & HALSE.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Council Room, Shanghai, April 7, 1916.

SIR,—I am directed to acknowledge the receipt of your letter of March 24, notifying the Council that the amount of the lowest tender for the erection of the west wing of the Hospital is Tls. 228,886, and that the total estimated cost is Tls. 388,091.

In reply I am directed to state that the Council has noted that the overdraft guaranteed by the two Councils would thus be increased approximately to Tls. 750,000 and that an expression of its assent and acceptance of responsibility for the requisite increase of the overdraft is awaited. After careful consideration the members have formed the opinion that in view of the greatly increased cost of building materials, and of the Council's ultimate financial responsibility, the present is not a well-chosen time to advance a project of such magnitude. The opinion prevails that unless clear and convincing proof can be produced by the Governors that this extension is truly indispensable, and entirely essential and urgent to meet the Hospital needs of the Settlement, it might be postponed: and that when it has been proved that more hospital accommodation is needed it may then be found advisable to meet this, by temporary arrangements so as to avoid the abnormal expenditure which will be caused by building under present conditions.

I am accordingly directed to request that you will be so good as to supply the Council with detailed information as to the existing accommodation, as to the additional accommodation which is projected, and as to the calculations upon which the Governors' estimates of the imminent needs for hospital accommodation are based.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Shanghai, April 15, 1916.

SIR,—In reply to your letter of the 7th instant I am directed by the Governors to furnish the particulars asked for together with other information, which it is hoped, will assist the Municipal Council to realise the position in which the General Hospital reconstruction matters now stand.

These matters represent not merely a question of urgent Hospital need calling for immediate provision, but the completion of a Hospital reconstruction scheme commenced over twelve years ago and intended to be carried out in such a manner as to interfere as little as possible with the Hospital work proper during its execution.

The scheme has involved getting rid of several old, scattered buildings containing wards many of them with east and west exposures, all badly suited to fulfil modern Hospital needs, and to replace these old buildings by one large block containing wards with bed space probably sufficient for the needs of fifteen years to come, fulfilling the latest Hospital requirements; all under the one roof, all facing south and fronted by a clear, open space separating the block from the North Soochow Road.

The first step towards this end was the erection of the present five-storey ward block containing seventy-three beds and to this block a portion of the male patients was removed in 1906. Some of the wards previously occupied by these patients had to be utilized as sisters' quarters when the sisters vacated the old small-pox building, the lease of which having expired, could not be renewed.

In 1909 four other buildings had distributed among them seventy-four other beds, half in wards with east and west exposures and many with wards on the ground floors which were occasionally flooded by water at high tides. At that period the one hundred and forty-seven beds were in fifty-seven rooms, on four floors, in five separate buildings.

In December 1910 the advisability of selling the present Hospital site and buildings and erecting a new Hospital on a site elsewhere was discussed at a meeting of all the Shanghai medical men called for that purpose. It was then unanimously recommended that the present site be retained as the best for General Hospital purposes, and the removal to any site further afield was declared to be undesirable. The meeting further "considered the accommodation at the General Hospital for women and children quite unsatisfactory and that immediate steps should be taken to improve it and to provide suitable quarters for them."

The erection of new buildings could not be begun until the old structures were pulled down and all of these were then occupied. The sisters' quarters were literally falling down. New quarters for them and the new kitchen and laundry block were next planned and erected on the Chapoo Road side on ground which had been acquired to complete the Hospital site, a step approved by the Municipal Council of the year. The sisters at Christmas 1913, for the first time in the Hospital's existence, occupied quarters which could be called suitable.

Plans for the completion of the scheme were next prepared and the estimate of March 1915 was submitted to the Council providing space for over two hundred beds in all, with operation rooms, pharmacy and out-patient accommodation sufficient to meet the requirements of probably the next fifteen years.

Part of these plans dealt with the transformation of the kitchen on the fourth floor of the present block into first-class male wards, to form with the neighbouring floor of the projected ward extension, the future first-class unit for male patients, a transformation now being carried out. These will have ultimately to share the necessary adjuncts for servants, linen, etc., to be provided in the extension, there being no building behind the block at the fourth floor level. The pharmacy which with its valuable stock of drugs was in 1906 temporarily placed over the boiler room, is still there awaiting its fit place in the extension. The flue of the hot water supply boiler runs from the ground floor upwards in the pharmacy, an operating room and the X-ray room wall, rendering them all unnecessarily hot in summer.

The out-patient accommodation, hitherto of the scantiest character and its location, frequently changed, demands space for the separation of male and female patients, some degree of isolation of infectious and contagious cases and more privacy for examination and treatment purposes.

Since the present operating theatres were planned in 1902 surgical intervention has at least doubled in frequency and the want of space has been more than correspondingly emphasised. There is no anaesthetic or recovery room and the sterilisation chamber opens into the theatres and is used for the storage of instruments.

The space for X-ray work was planned thirteen years ago, since which time its demands for accommodation have more than doubled. The one room set aside for it is crammed with apparatus and extremely hot in summer. The room originally destined for storage of the X-ray material has had to be from the first, and is still, utilised for that of other material appertaining to the ward floor.

In the five-storey block there is no drying stage, only the scantiest accommodation for the ward boys on each floor and no fit space for the temporary isolation of noisy, violent or possibly infectious cases.

In the extension now projected provision of a modern character is made for these various wants and when completed the space occupied at present by the pharmacy, operating and sterilising rooms as well as by the X-ray and photographic dark rooms, will be available for use as the usual adjuncts for ward purposes.

Below are figures outlining the distribution of ward and bed space, past, present and projected. The projected beds are distributed in classes so that these are on separate floors but the plan will admit of the proportion of first, second and third class beds being rearranged at any time by the use of movable screens as at present in the five-storey block.

	Beds	Past	Present	Projected
Male	First class	16	12	21
"	Second "	37	35	29
"	Third "	41	38	57
"	Free	23	8	23
Female	First class	6	6	10
"	Second "	12	10	20
"	Third "	11	8	24
"	Free		3	
Children		4	8	10
Oriental		9	6	10
		159	134	204

The number of beds at present available is sufficient to meet current demands but only so long as there is no more than the average amount of sickness. It must be remembered also that these demands are abnormally low at present owing to the absence of many members of the younger male population on war service, to the presence in the harbour of American warships only and to the number of ocean-going vessels that visit Shanghai being restricted during the war.

It will be seen from the foregoing that nearly half of the present accommodation for patients is poor and unattractive as compared with what it ought to be, and in fact has been condemned on those grounds.

Coming to the question of the cost of the reconstruction scheme, the increase in the estimate of last year has not been due to any change in the scheme since the Council wrote the Governors on July 5, 1915, regarding Hospital needs. To quote the words of the Council used on that occasion, its letter "amounts to an invitation to the Governors to pursue the building scheme to completion and to equip and staff the Hospital on efficient modern lines with all convenient speed."

Soon after receipt of this mandate from the Council, the Governors gave orders for the clearing away of the old buildings to the west of the five-storey block, causing an unsightly and detrimental vacant space.

The Hospital architects were then instructed to prepare specifications and working plans and these being approved tenders were advertised for and the lowest, that of Mr. Wong Kor-sung, proved to be considerably over the estimate of 1915 as were also the supplementary estimates.

Some at any rate of the objectionable features of Hospital accommodation dealt with in this letter were obviously less influenced by architectural considerations than by financial ones directed towards maintaining the Hospital on a self-supporting basis. Without taking into consideration site additions, success in this direction may be gauged from a capital account credit of over Tls. 100,000 when the construction was projected in 1902 and by the working account continuing to show a credit balance till 1914.

Without the assurance of aid on the part of both Councils, reconstruction on the scale entered on since 1911 would not have been contemplated by the Governors of that time.

On July 27, 1911, a Works Committee was appointed to deal with reconstruction matters, when a member of the Municipal Council's Public Works Department, and in February 1912 the Health Officer, were appointed members of the Committee at the instance of the Municipal Council.

It seemed desirable to the Governors to prolong the present condition of Hospital accommodation for as short a period as possible, since that condition may be described as follows:—The most up-to-date part of the Hospital accommodation now is the new quarters for the sisters, kitchen, laundry and servants. The old quarters having had to be cleared away to make space for the ward extensions contemplated in Mr. Wong Kor-sung's tender, has entailed housing all the beds for female patients, the beds for free and Oriental patients and for the overflow male patients from the five-storey block, sixty-one beds in all, in quarters the oldest still surviving, long out of date and to be pulled down on completion of the extension. Of the various ways of obviating such an unsatisfactory state of affairs, the decision to proceed forthwith with the extension buildings would eventually cause less expenditure and interference with the Hospital work and was therefore unanimously adopted by the Governors.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

J. B. MACKINNON, Esq.
Acting Secretary, Municipal Council.

Shanghai, June 7, 1916.

SIR,—I am directed to inform you that three of the Governors of this Hospital, Messrs. J. Johnstone, E. F. Mackay and C. Patrel, have been duly appointed a special Finance Committee whose functions are to deal with the Shanghai Municipal Council and the Conseil d'Administration Municipale de la Concession Francaise as regards the matter of the finance of the Hospital in its relation to the Hospital Reconstruction Scheme.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Shanghai, July 26, 1916.

SIR,—In reference to the new west wing of this Hospital, concerning which I wrote you on March 24 and April 15 last furnishing particulars which the Council had asked for.

I am now directed to inform you that under the arrangement for the administration of the property of the Trusts of George Ford deceased as settled by the Supreme Court at Shanghai, this Hospital will shortly receive three-quarters of the property and funds, the Hospital's share representing an estimated value of Tls. 180,000 approximately.

In view of the foregoing bequest and the additional security which it extends to the financial position of the Hospital, I am directed to inquire whether the Council is prepared to give its approval and support to the construction of the new west wing being proceeded with forthwith.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, August 7, 1916.

SIR,—I am directed to acknowledge the receipt of your letter of July 26 on the subject of the proposed erection of the west wing of the Hospital.

In reply, I am directed to state that in reply to the Council's communication of April 7 requesting indications of the indispensability and urgency of the extension, your letter of April 15 submitted details of the present accommodation and of the projected extension, but in the Council's opinion failed to show that the large new project cannot be postponed until the cost of material returns to the normal; and hardly attributed due importance to the considerable number of new rooms reported to be in progress of completion at the top of the new building. There is apparently also spare accommodation in the sisters' new block which might be used for women or for children. The Council cannot lose sight of the fact that also the Hospital St. Marie, together with the extension of the Isolation Hospital, now in progress, must relieve the Governors of a number of cases, and of consumptives. Under the circumstances, therefore, the opinion remained prevalent that the advancement of a project of this magnitude is not at present opportune.

Subsequently the Council learnt of the view held by the French Council, which is understood to have been conveyed to you, that measures should be introduced with a view to remedying the deficit which the working of the General Hospital has involved during the last few years: the Chairman of Council has learnt from certain of the Governors that to this end the finances of the Hospital were to be reviewed by a sub-committee of the Governors, and that some appropriate expedient might possibly be devised, such for example as temporarily utilising some of the vacant space in the Hospital grounds to profitable advantage, which might, from the Council's standpoint, facilitate the earlier realisation of the extension scheme.

The members have noted with satisfaction that while these negotiations have been in progress three-fourths of the George Ford estate have been transferred to the Governors for application for purposes of the Hospital at their discretion, but in common with the French Council, by whom it has again been addressed upon the subject, it adheres to the views which have been conveyed to you, and awaits the results of the deliberations of the sub-committee, to which reference has been made.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Shanghai, October 17, 1916.

SIR,—In reference to your letter of August 7, written in answer to my letter of July 26, I am directed by the Hospital Finance Committee to lay before you the following additional views upon the subject:—

There are no present indications of the return of the cost of building material to the normal and opinion is fairly general that this state of affairs is likely to continue for some years to come.

Ten new male first-class rooms at the top of the existing main block will be ready for occupation at the end of this year and the importance of this addition to the Hospital accommodation has received due attention from the Governors in their arrangements for future requirements, and in connexion with the construction of the proposed new west wing.

The accommodation in the sisters' new block was provided for the sisters only, and its arrangements are unsuitable for use by women or children patients.

It appears to the Governors that the Council's present method of viewing the matter does not take sufficient account of the history of the whole scheme. To recapitulate the remarks in my letter to you of April 15, the question of reconstruction matters at this Hospital is not merely a question of urgent Hospital need, representing a certain number of extra rooms or beds calling for immediate provision, but the completion of a reconstruction scheme commenced over twelve years ago and intended to be carried out in such a manner as to interfere as little as possible with the Hospital work proper during its execution.

Owing to the support which the Council has in past years extended to this reconstruction scheme, certain old buildings were pulled down to make way for the proposed new west wing. This necessitated various make-shift arrangements and the Hospital generally as regards its buildings is in a transition stage which places many obstacles in the way of maintaining real efficiency and modern methods of working.

The present administration quarters of the Hospital are unsuitable. The pharmacy rooms and operating rooms are unnecessarily hot in summer. The out-patient accommodation demands space for the separation of male and female cases and for some degree both of temporary isolation of infectious and contagious cases and of privacy for examination and treatment purposes.

Since the present operating theatres were planned in 1902, surgical work has at least doubled in frequency and the want of space is more than correspondingly emphasised. There is no anaesthetic room and the sterilisation chamber opens into the theatres and is used for the storage of instruments.

The space for X-ray work was arranged thirteen years ago, since which time its demands for accommodation have more than doubled. The one room set aside for it is much too small and extremely hot in summer. The room originally destined for storage of the X-ray material has had to be from the first, and is still, utilised for that of other material appertaining to the ward floor.

The present building for female patients has only very inadequate accommodation for storage of ward material and for nurses' and amahs' rooms; there are no drying stages and the building is too far removed from the operating block, thus rendering communication between the two unsatisfactory.

In the five-storey block there is no drying stage, only the scantiest accommodation for the ward boys on each floor and no fit space for the temporary isolation of noisy, violent or possibly infectious cases. Nearly half the present accommodation for patients has been condemned as poor and unattractive owing to the above stated defects, many of which have been unavoidably caused by the reconstruction work already undertaken.

The above conditions were also set forth in my letter to you of April 15, but are especially emphasised now having become more apparent since first communicated to you.

It will be seen from the foregoing that, owing to the reconstruction work that has already been carried out in consideration of the Council's promised support, this Hospital is in the position as regards reconstruction matters of having either gone very much too far or else not nearly far enough, and the only way at this stage to ensure permanent success is to carry on the work to its completion.

It is with this object in view that the Governors consider that the construction of the new west wing should be proceeded with without any further delay, thus fulfilling the Council's invitation of July 5, 1915, to the Governors, to pursue the building scheme to completion and to equip and staff the Hospital on efficient modern lines with all convenient speed.

I am directed by the Special Finance Committee to hand you in this connexion an estimate of financial working for the year 1919 based upon the conditions that would prevail were the proposed new west wing completed and ready for occupation on January 1, 1919, and this estimate is attached.

By this it is shown that were the new west wing completed as above the total contribution which would be required from the two Councils for 1919, and for several years after, to meet interest on bank overdraft, would be Taels 45,850 or say a round sum of Taels 50,000 per annum.

The completion of the reconstruction scheme, rendered necessary by the deficiencies of the present buildings and by the requirements of the early future, would make this Hospital, in a worthy and suitable manner, equal to the general requirements of the community for, it is estimated, 10 to 15 years to come, whilst at the same time allowing space for further building requirements as they may arise in the future.

With the object of personal discussion of the matters referred to in this letter, as approved by the Chairman of the Council, I am further directed to request that you will be good enough to appoint a convenient date at which members of the Council will be able to meet the Hospital Special Finance Committee, preferably in the Hospital Buildings for convenience of reference. Representatives of the French Council will also be invited to attend at the same time.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

(Enclosure)

General Hospital, Shanghai, September 29, 1916.

Estimate of Financial Working for the year, 1919, based upon the conditions that would prevail were the proposed new west wing completed and ready for occupation on January 1, 1919.

Earning capacity of the complete Hospital.

1st Class 31 Beds at Tls. 6 per day	186
2nd Class 49 Beds at Tls. 3 per day	147
3rd Class 81 Beds at \$2 per day \$162 at 72 say	116
Children and Orientals average say	20

Per day Tls. 469

Totalling per annum Tls. 171,185

It is reasonable to assume as a minimum, after taking into account extra fees, that three-fifths of this total would be received yearly, showing for 1919 a net estimated revenue from patients for the whole Hospital

Tls. 102,711

The ordinary expenditure for 1919 is estimated as follows :

Sisters (including 10 Extra, the Mother Superior states that 3 would be enough)	Tls. 8,000
Physicians	3,000
Secretary, Auditor, Clerk, Bill Collector	3,600
Warders	2,800
Servants	6,500
Fuel Coal 6,500	10,000
Gas 3,500	
Lighting	3,000
Power for Lifts	500
Water	1,800
Printing and Stationery	800
Fire Insurance	2,700
Telephone	600
Drugs and Instruments	8,000
Messing	40,000
Washing	600
Maintenance and Repairs	6,000
Miscellaneous	300

Tls. 98,200

Ordinary Income 102,711

" Expenditure 98,200

Balance Profit on Working Account Tls. 4,511

Extraordinary Expenditure.

Interest—	Tls.
Bank Overdraft	382,000
Add New West Wing Cost including Furniture	433,000
	815,000
Less Ford Estate Bequest say	160,000
	655,000
At 7% Total yearly Interest	45,850
Depreciation on Buildings	3,760
" "	8,500
	12,260
Depreciation on Furniture	2,700
	Tls. 14,960

To summarise the conclusions to be arrived at from the above estimates.

The Working Account would show a yearly profit of	Tls. 4,511
The yearly Depreciation on Buildings and Furniture would total	Tls. 14,960
Less Profit on Working Account	4,511
Leaving to write off yearly from Profit and Loss Account	Tls. 10,449
Were the Chinese shops on the Hospital property retained for a time, yearly rent to be received	
Tls. 5,000	Deduct 5,000
	Tls. 5,449
And this item of Tls. 5,449 could probably be met from higher profit from working account than has been estimated.	
The amount of interest on Bank Overdrafts would be approximately	Tls. 45,850

And this amount would represent the contribution which would be required from the Councils for 1919 and for several years after.

MEMORANDUM RE NEW WING.

The erection of the new wing taken in relation to the working of the Hospital as a whole represents for 1919 as compared to 1915.

Ordinary Revenue	1919	Tls. 102,711	
" "	1915	65,568	
Increase for	1919		37,143
Ordinary Expenditure	1919	98,200	
" "	1915	80,070	18,130
Balance Increased Revenue			Tls. 19,013

In the event of the erection of the proposed new west wing being commenced forthwith, interest on the payments made on account to contractors and suppliers would have to be met during 1917 and 1918, and unless these amounts were added to bank overdraft, additional grants from the Councils for interest for 1917 and 1918 would be necessary.

A. H. MANCELL,
Secretary.

Council Room, Shanghai, November 18, 1916.

SIR,—With reference to your letter of October 17 I am directed to request that, in accordance with the suggestion made therein, you will be so good as to inquire whether Thursday, November 30, would be a convenient date upon which the Finance Committee with the Special Finance Committee of the General Hospital could meet for an informal discussion of the subject of your letter; and I shall be obliged if you will please arrange for the attendance of representatives of the French Council at the same time.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Shanghai, November 29, 1916.

SIR,—In reference to your letter of 18th instant received on the 21st instant.

As already communicated to you by telephone, I have duly arranged to-morrow, Thursday, 30th instant, at 4.30 p.m., for the meeting at this office between the Hospital Special Finance Committee and the Council Finance Committee. The Secretary of the French Council informs me that representatives of the French Council will attend at the same time.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, December 13, 1916.

SIR,—With reference to the recent meeting of the Committee of the Governors with the Council's Finance Committee and representatives of the French Council, I am directed to inform you that the Chairman of the Council and Mr. Ezra have expressed willingness to act as Members of the proposed Special Committee, if it is formed by the Governors, and at their invitation; in order that these two members may be in a position to keep the Council in touch with the course of the Governor's deliberations.

The Council also wishes the Governors to ascertain what is the remaining life of the existing main building and desires to see a report by the Governors' architect thereon.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Shanghai, January 17, 1917.

SIR,—In reference to your letter of the 13th ultimo, I am directed to inform you that the Governors have appointed Messrs. J. Johnstone, E. F. Mackay and Dr. N. Macleod to form with Messrs. E. C. Pearce and E. I. Ezra, members of the Municipal Council, a Committee for the purposes of arranging ways and means to complete the Hospital Reconstruction Scheme and to frame a report thereon, if possible before the date of the next Ratepayers' meeting.

The Governors are still of opinion that the scheme already projected and so far executed by them should be completed as planned.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

Council Room, Shanghai, January 22, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of January 17, notifying the appointment by the Governors of the Committee for the purpose of arranging ways and means to complete the Hospital Reconstruction Scheme, and to frame a report thereon.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

Shanghai, February 9, 1917.

SIR,—In reference to your letter of December 13, 1916, in which you inform me that the Council desires to see a report by the Governors' architect on the remaining life of the existing main building, I am directed to send you the report dated January 29 prepared by Messrs. Moorhead & Halse, and accordingly enclose the same herewith.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

[*Enclosure*].

Shanghai, January 29, 1917.

DEAR SIR,—In accordance with your instructions to submit a report on the remaining life of the existing main hospital building, we have carefully surveyed the structure and beg to report as follows :—

The building is a five-storey hospital block of ordinary brick and timber construction on lime concrete foundations, which have been piled with half Foochow pole piles. The foundations appear to be of uniform widths, irrespective of the loads they have to sustain, and serious settlements have occurred in various parts of the structure. Running levels taken on the south facade disclose a more or less uniform settlement from the ends to the centre, the latter being 3½ inches lower than the ends.

The south facade gives undoubted evidence of overloading of the brickwork, and serious crushing of the brickwork has occurred in the first arch abutment to the west of the central feature. The internal wall immediately beyond the south front shows evidence of crushing, and serious crushing of the brickwork has occurred at the west end of this wall. The whole of this wall has settled lower than the south wall, and all the arches connecting these two walls on the upper floors have broken in parts, and have been repaired from time to time.

The unequal settlement resulting from ill-proportioned foundations has unequalized the loads on the brickwork to a very great extent, and as the building stands at present, it is practically impossible to ascertain the actual unit loads the brickwork is carrying in certain parts of the building. There are no practical remedial methods available to right this defect.

We found that in certain parts of the building, the surface of the brickwork is disintegrating, and this process is apt to continue in an increasing ratio. This is a defect that can be guarded against.

The upper floors, where tiled, are laid on timber joists which give every indication of dry rot to a serious extent. The time is not far distant when most, if not all, these floors will have to be renewed. We may mention that when converting the upper floor from kitchens, etc., to first-class wards we found all the joists laid under tiles to be full of dry rot, and these joists had to be renewed.

Floors laid in the above manner are always subject to dry rot, and our experience of them leads to the opinion that they require renewal approximately every ten years. Renewal is a work of some magnitude, and would probably render the greater part of the building uninhabitable during the process of renewal.

The only method of remedying this defect is the substitution of solid concrete floors for the timber floors, and the additional weight of such floors on the already overloaded brickwork renders this method unsafe.

In our opinion, the remaining *economic life* of the above building is about twelve years. At the same time it should be clearly understood that the building can be kept standing indefinitely.

To give an opinion on the *remaining life* of a building is to attempt prophecy, and for this reason we have dealt with the *economic life*. The economic life of a building is ascertainable within fairly narrow limits of error, and is based on the purely business proposition that a building may be kept standing indefinitely by repairs and renewals, but that at a certain period the usefulness of the depreciated structure is not a profitable return on the outlay required to maintain that usefulness.

Yours faithfully,

MOORHEAD & HALSE.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Council Room, Shanghai, February 14, 1917.

SIR,—I am directed to thank you for your letter of February 9, enclosing the report made by Messrs. Moorhead and Halse on the remaining life of the Hospital existing main building.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Assistant Secretary.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Shanghai, March 6, 1917.

SIR,—In reference to the proposed Hospital reconstruction scheme, I am directed to inform you that a Special Committee consisting of Dr. N. Macleod, Messrs. J. Johnstone, E. F. Mackay; Messrs. E. C. Pearce and E. I. Ezra, representing the Shanghai Municipal Council; and Messrs. C. Paturel and L. Straetmans, representing the French Municipal Council, was appointed by the Governors to deal with the matter.

At a Meeting of this Special Committee held on January 29 last, various aspects of the matter, involving the following points were considered :—

The present and future cost of building ;

Utilisation of the present hospital site and buildings partly or wholly ;

Building on another site out of town to meet the requirements of the Hospital patients ;

Present defects of the hospital which cannot be remedied because of insufficient space in the present buildings ;

Undesirability of these defects being continued longer than can be avoided ;

The loss which would be involved in sacrificing the present site or buildings, etc.

The Committee then unanimously agreed that the plans previously adopted by the Governors would best solve the problem at issue, at less expense in the end, and that they should be put into execution at once.

The present financial aspect of the matter is as follows :—

Overdraft at Hongkong & Shanghai Bank (March 3, 1917)	Tls. 398,000
Estimated cost of New Buildings with furniture	457,000
	Tls. 855,000
Less Maximum amount guaranteed by French Council	166,600
	Tls. 688,400
The International Council's commitment agreed to be guaranteed up to this date, as per Memo following is	399,199
MEMORANDUM.	
1911. Council guarantee.	Tls. Tls.
(vide Annual Report, 1911, p. 112)	
2/3rds Overdraft at December 31, 1910	126,496
2/3rds Advance for building	282,183
	408,679
1912. Council guarantee.	
(vide Annual Report, 1912, p. 107A).	
2/3rds Further overdraft	90,000
1915. Council guarantee.	
(vide Annual Report, 1915, p. 107A).	
2/3rds Further overdraft	100,000
Total capital sum guaranteed	598,679
2/3rds Total capital sum guaranteed	Tls. 399,119½
Leaving a further guarantee required to enable the Governors to proceed with the scheme of Should the George Ford Estate bequest be utilised this will be reduced by approximately	289,281
	160,000
	Tls. 129,281

In the event of this further guarantee being provided the Hongkong Bank has expressed its willingness to advance the amount necessary.

The Governors would deplore being obliged to adopt the alternative of postponing the scheme indefinitely and therefore request the Municipal Council to furnish the extra guarantee of say Tls. 130,000 as above, an action which will certainly be conducive to the best interests of the Hospital patients and also enable the Governors to extend due consideration to the requirements of the doctors and nurses in charge of the patients by providing adequate and necessary facilities.

I am, Sir, your obedient servant,

A. H. MANCELL,
Secretary.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

(Memorandum by Dr. N. Macleod.)

In the letter of March 6 to the Council asking for an increase of the Guarantee for Bank overdraft to enable the Governors to proceed with the building scheme, no special reference was made to the questions of land, buildings and income in relation to the scheme and its history. Some of the facts concerning these points are as follows:—

LAND.

To the original hospital site acquired in 1877 and measuring 6 mow 2 fun 1 li 5 hao three additions have been made from time to time with a view to extension so that the present site measures 29 mow 6 fun 9 li 5 hao, and is bounded on the south by the North Soochow Road, on the east by the Chapoo Road, on the north by the Tiendong Road and on the west by the Chinese shops and houses on the North Szechuen Road (the latter not owned by the hospital).

BUILDINGS.

Old buildings still standing and in use so soon as the scheme is completed will all be cleared away and likewise the Chinese shops on the North Soochow Road front.

The reconstruction scheme, commenced in 1904 with the 5-storey block now occupied by male patients, had to be adapted to the land then possessed. The scheme was modified in 1912 when the land at the corner of the Tiendong and Chapoo Roads was acquired after several unsuccessful attempts to buy or lease it. In 1914 were erected on the last acquired corner the sisters' block and the block behind it for kitchen, laundry, accommodation for Japanese infirmiers, Chinese servants, carpenter's shop, stores, boiler, etc.

When the scheme is completed all the wards will have an open south frontage, no part overlapped by buildings of any kind nearer than those on the opposite side of the Soochow Creek, with garden space extending in front of the ward block to the North Soochow Road. East of the ward block there will be open space which can be utilised for future ward extension without sacrifice of any structure or interference with hospital work and such wards will have the same open frontage.

The hospital when furnished with the new ward and other provision will it is hoped be on a scale worthy of Shanghai and second to none in the Far East.

INCOME.

When the reconstruction scheme was first planned, employees of both Municipalities requiring hospital treatment as well as all infectious cases were then treated at the General Hospital. Later, these employees were sent by the Municipalities to the Victoria Nursing Home and the St. Marie Hospital whilst infectious cases were sent to the Municipal Isolation Hospital. The Shanghai-Nanking Railway Hospital was opened eight years ago for the treatment of foreigners as well as Chinese and was closed in 1916. A little later the Red Cross Hospital on the Sicauei Road began to admit foreigners for treatment. The influence of these various institutions become manifest on the working account balance of the General Hospital which in 1914 for the first time showed a debit, viz., Taels 147.08, in 1915 one also of Taels 9,514.30 and in 1916 one of Taels 3,889.96. This result had been contributed to partly, not so much by a reduction in the number of patients admitted as in a lowering of the proportion of 1st and 2nd to 3rd Class and free patients, partly by the International Council ceasing after 1911 to contribute its annual grant in aid of indigent patients, viz., Tls. 3,500.

In December 1916 the French Municipal Council expressly intimated its intention in addition to its guarantee for bank overdraft for building purposes to continue as hitherto contributing its annual grant in aid of indigent patients, viz., Taels 1,750.

The Governors hope that the sister Council will forthwith resume the contribution of its grant in aid, also in addition to the guarantee for building overdraft.

When the war ceases and belligerent men-of-war and mercantile marine vessels again visit the port in the numbers usual in times of peace, an increase in hospital revenue from patients' fees will, in all probability, occur, but, if the Chinese shops are pulled down to open the hospital frontage as intended, a loss of Taels 5,000 a year in rent will result.

SUMMARY.

A fair summary of what is intended would be conveyed by saying that among the changes contemplated in the Reconstruction Scheme, less important is an increase in the number of beds which is, however, provided for; more important are, better accommodation than exists for the 59 beds now occupying old parts of the hospital, 36 of these beds, in rooms on the ground floor; correction of defects and the supply of wants both dependent almost entirely on want of space in connexion with the operative, out-patient, pharmacy, X-ray and other departments of hospital work. The yearly average number of in-patients was 1,368 for the 5 years (1900-1904), preceding the commencement of the Reconstruction Scheme. For the last 5 years the average has been 1,638.

Council Room, Shanghai, March 16, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of March 6 and in reply to inform you that, having given careful consideration to the deliberations and findings of the Special Committee appointed to consider the desirability of proceeding with the General Hospital Extension Scheme, the Council has decided to recommend to the Ratepayers at the Annual Meeting on March 21, that provision should be sanctioned for the higher interest charges which are involved by the Governors' request that the Council's guarantee of the Hospital's overdraft with the Hongkong and Shanghai Bank be increased from approximately Tls. 400,000 to such sum as may be required for carrying out the extension scheme, not exceeding a total guarantee of Tls. 530,000.

The French Council's decision to guarantee the overdraft to the extent of Tls. 166,600 is noted.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Council Room, Shanghai, August 7, 1917.

SIR,—By direction of the Council and at the request of the Governors of the General Hospital, I am to inform you that the Council hereby agrees to increase its present guarantee of the Hospital's overdraft on its account with you to such sum, not exceeding a total guarantee of Tls. 530,000, with interest thereon at 6 per cent. per annum, as may be required to carry out the Hospital extension scheme referred to in the correspondence published in the Municipal Gazette of March 20 of this year and in the remarks of the Chairman of Council at the Annual Meeting of Ratepayers on March 22, when proposing the adoption of the Report and Accounts for 1916, and introducing the Budget for 1917.

The French Council, it may be observed, has already notified its decision to guarantee the Hospital overdraft to the extent of Tls. 166,666 with interest thereon.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. G. STEPHEN, Esq.,
Manager, The Hongkong & Shanghai Banking Corporation.

Council Room, Shanghai, September 17, 1917.

GENTLEMEN,—I am directed to inform you that the Council is in receipt of a letter from the manager of the Hongkong and Shanghai Bank notifying the Council that, from October 1 and so long as present conditions prevail in the money market, the rate of interest charged on the General Hospital overdraft, for a portion of which the Council is liable under guarantee, will be raised from 6 to 7 per cent.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

The GOVERNORS,
Shanghai General Hospital.

Shanghai, September 28, 1917.

SIR,—I am directed to acknowledge receipt of your letter of September 17. In reference to the raising of the rate of interest on the Hospital overdraft with the Hongkong and Shanghai Bank from 6 per cent to 7 per cent to date from October 1, I am instructed by the Governors to ask you to be good enough to notify the Manager of the Hongkong and Shanghai Bank that the Council will assume liability for the interest at the enhanced rate of 7 per cent on the Council's total guarantee of Tls. 530,000, authorized according to your letter to me of March 16, 1917.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary, General Hospital.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, October 4, 1917.

SIR,—In reply to the request contained in your letter of September 28 that the Council should notify the Hongkong and Shanghai Bank that it will assume liability for interest at the rate of 7 per cent per annum under its guarantee of a portion of the Hospital overdraft, I am directed to point out that the Council's guarantee is in respect of interest at the rate of 6 per cent per annum only, and to inform you that it is regretted that the Council cannot agree to assume responsibility for any increased rate without the sanction of the Ratepayers.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. H. MANCELL, Esq.,
Secretary, Shanghai General Hospital.

Shanghai, October 8, 1917.

SIR,—I am directed to acknowledge receipt of your letter of October 4, in which you point out that the Council's guarantee of Tls. 530,000 is in respect of interest at the rate of 6 per cent. per annum only, and in reply to the same and assuming that your letter conveys an invitation to the Governors to express their views upon the subject, I am directed to inform you as follows :—

The opinion of the Governors is that the rate of interest on the Hospital's guaranteed overdraft at the Hongkong and Shanghai Bank is a matter for arrangement between the Municipal Council and the Bank, and that although the Bank was agreeable to a rate of 6 per cent originally, there was not any undertaking given by the Bank that this rate would not be increased should circumstances demand it.

Further there is not any reference in the correspondence between the Council and this Hospital as published in the Municipal Gazette of March 20, 1917, by which the Council's guarantee was fixed at Tls. 530,000, that the rate of interest was to be 6 per cent. On the contrary in the Estimate of Financial Working dated September 29, 1916, which was enclosed in my letter of October 17, 1916, to the Council, the rate of interest on which the estimate is based is specifically set down as 7 per cent.

Also referring to my letter to the Council of October 17, 1916, it will be found that the total interest amount estimated to be required from the two Councils is stated at Tls. 45,850 "or say a round sum of Tls 50,000 per annum."

Taking as a basis Tls. 50,000 per annum and deducting from this the Tls. 10,000 guaranteed annually by the French Council, a balance of Tls. 40,000 is left to be met by the Municipal Council, which is greater than the sum of Tls. 37,100 which at the enhanced rate of 7 per cent on Tls. 530,000 would represent the amount of interest on the Council's Guarantee.

The whole of the correspondence on the subject having been published previously, it is reasonable to consider that the Ratepayers were fully aware at the time of the last annual Ratepayers' Meeting that the Council would possibly have to pay 7 per cent on the Hospital overdraft with the Hongkong and Shanghai Bank as guaranteed by the Council, and no objection to this was raised at the Meeting which thus accepted the position. The Governors, therefore, are unable to support the view set out in your letter under reply that the matter requires the further sanction of the Ratepayers.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary, General Hospital.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, October 20, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of October 8 further on the subject of your request that the Council should notify the Hongkong and Shanghai Bank that it will assume liability for interest at the rate of 7 per cent per annum under its guarantee of a portion of the Hospital overdraft.

The Council cannot agree with the view that the rate of interest is a matter for arrangement between the Council and the Bank since that would be tantamount to an admission that the rate of interest guaranteed is not fixed but is subject to increase at the will of the Bank.

It is true that in the enclosure to your letter of October 17, 1916, you appear to have foreseen the possibility of interest on the overdraft being raised to 7 per cent and that the total amount of interest for 1919 at that rate was referred to in that letter, but the fact remains that the rate of interest under the Council's then existing guarantee was 6 per cent, that the Council never has had the guarantee of any higher rate of interest in mind and that when it notified the Bank, on August 7 of this year, of its agreement to extend its guarantee of the overdraft, interest at 6 per cent. was specifically fixed and unquestioned either by the Bank or by the Governors of the Hospital.

However, upon further consideration the Council recognizes that such circumstances have arisen since the Ratepayers Meeting in March last as do perhaps justify re-consideration of the rate of interest guaranteed, and I am accordingly directed to inform you that it has decided subject, of course, to confirmation at the next Annual Meeting of Ratepayers, to assume responsibility for interest at 7 per cent per annum under its guarantee of a portion of the Hospital overdraft from October 1, and so long as present conditions prevail in the money market.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. H. MANCELL, Esq.,
Secretary, Shanghai General Hospital.

As indicated in the subjoined correspondence the Council consented to resume its annual contribution towards the treatment of indigent patients which was discontinued in 1911, and a grant to the Hospital of Tls. 3,500 was accordingly included in the Budget for 1917 :—

Shanghai, December 4, 1916.

SIR,—I am directed by the Hospital Finance Committee to draw your attention to the matter of annual grants made by the two Councils to this Hospital towards the expenses of treating indigent patients, which subject was dealt with in my predecessor's letter of May 13, 1915, to the Council.

I am to point out that the French Council has regularly continued its annual contribution of Tls. 1,750, the grant for 1916 having been recently received. The Municipal Council ceased to contribute in 1911 but had it continued to do so, in the customary proportion of 2 to 1, the total amount received by this Hospital from the Council, for the years 1912 to 1916 inclusive would have been Tls. 17,500. This sum would have been nearly equivalent to the amount which it has since been found necessary to borrow from the Hongkong Bank for Hospital general working expenses.

I am, Sir, your obedient servant,
A. H. MANCELL,
Secretary.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, December 29, 1916.

SIR,—I am directed to acknowledge the receipt of your letter of December 4 on the subject of the annual grant made by the French Municipal Council and this Council towards the expenses of treating indigent patients at the Hospital, and to refer to the Council's reply to your representations in the year 1915, that the annual grant could not be made while interest on the overdraft was continued and until the full annual cost and annual receipts from patients, after the building scheme, could be estimated. The matter has, however, been the subject of further consideration and I am directed to inform you that it is considered preferable that decision should be postponed until the prevailing uncertainty relating to hospital affairs is removed as a result of the forthcoming deliberations of the Special Committee to be appointed by the Governors.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

Council Room, Shanghai, March 16, 1917.

SIR,—I am directed to inform you that having given further consideration to the request contained in your letter of December 4, the Council has included provision in the Budget for 1917 for a contribution of Tls. 3,500 towards the expenses of treating indigent patients at the General Hospital. Reference thereto is contained on page 85c of Part III of the Annual Report for 1916 and the Budget for 1917.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

A. H. MANCELL, Esq.,
Secretary, General Hospital.

PAULUN HOSPITAL.

Correspondence with the Hospital Committee referring to the accounts for 1917 and the Municipal Grant for 1918.

Shanghai, January 8, 1918.

SIR,—In the name of the Paulun Hospital Committee we beg to renew the application to the Council for an annual Grant of Tls. 2,000 in aid of the Hospital for 1918.

The accounts for 1917 as per enclosed statement show a loss of Mex. \$2,416.01 on working account.

We beg to refer to attached medical report and may mention that the number of patients is steadily increasing, about 190 cases, amongst them very bad surgical ones, having been sent to the Hospital by the Police alone.

Trusting that the Committee's request will be met with the same kind consideration by the Council as in former years and expressing the Committee's thanks to the Council in anticipation.

We have the honour to be, Sir, your obedient servants,
Dr. VON SCHAB,
E. SIEBERT.

The CHAIRMAN, Municipal Council.

MEDICAL REPORT.

During the year 1917, 10,075 patients have been treated at the Paulun Hospital Polyclinic, of whom 892 were admitted to the Hospital. The corresponding numbers for the preceding four years were :

1913—5,197 and	580
1914—6,398 and	630
1915—6,685 and	981
1916—9,568 and	1,039 respectively.

In May 1917 accommodation was made especially for treatment of venereal and skin diseases and cases belonging to this group were attended in a surprisingly great number, *i.e.* 3,597, of which 2,168 were skin diseases, 779 syphilitic cases and 650 other venereal diseases. Regarding frequency next come eye diseases (2,024), surgical diseases (1,778), internal diseases (1,635). There were 22 confinements.

82 patients, being indigents, had free treatment during 2,625 days.

In the X-ray laboratory 147 photos, 20 observations and 49 treatments were made. 694 operations, 67 of which were major ones, were performed; in 10 and 7 cases there were major gynæcological and obstetrical operations respectively.

On account of the steadily rising expenses for drugs and dressing material it was tried to raise the 3rd class daily patients' fee from 20 cents to 30 cents, but in consequence of permanent refusal to pay this increase, the innovation was dropped.

Compared with the year 1916 less cases were admitted to the Hospital, but all the Hospital cases in 1917 have been more or less serious ones, requiring long treatment. There were 65 cases of death, 18 of which died 24 hours after admittance. The other 47 cases resulted from dysentery (7), typhoid fever (6), heart disease (5), pneumonia (3), beri-beri (3), marasmuse syphili (3), emphysematous bronchitis (2), peritonitis (2), tuberculous peritonitis (2), pulmonary tuberculosis (3), septicaemia (2), Bright's disease (1), bulbaer paralysis (1), meningitis tuberculosa (1), fatty embolism after bone fracture (1), cirrhosis of the liver (1), ovarian cyst (1), gangraena pulmonum (1), gangraena pedis (1).

Dr. VON SCHAB.

Annual Report of the Shanghai Municipal Council, 1917.

WORKING ACCOUNT.

RECEIPTS.		
Donations		\$ 3,534.63
Municipal Council's Grant	Tls. 2,000	2,754.38
Interest from Paulun Memorial Fund		1,520.54
Receipts at Hospital from Patients		11,889.36
Receipts at X-ray Department		2,091.44
Loss in working account		2,416.01
		<u>\$24,206.36</u>

EXPENSES.		
Instruments, Drugs, Bandages, Cotton		\$ 4,078.78
Household requisites, Furniture		1,596.43
Land and House Taxes		319.98
Fire Insurance		93.36
Telephone		62.66
Interest with Bank		10.08
Expenses at X-ray Department		2,210.94
Expenses at Hospital :—		
Wages to Chinese	\$ 3,351.40	
Salaries	3,000.00	
Food supply	2,116.59	
Washing, Soap, etc.	905.55	
Repairs	1,928.47	
Stationery	116.35	
Disinfection	110.12	
Coal, Ice, Water	872.81	
Gas and Electricity	2,223.40	
Travelling Expenses, Head Nurse	623.61	
Miscellaneous	585.83	
	<u>\$15,834.13</u>	
		<u>\$24,206.36</u>

BALANCE SHEET.

LIABILITIES.		
Donation from Mrs. McBain		\$1,355.01
Various Creditors		5,556.14
		<u>\$6,911.15</u>
ASSETS.		
Capital short January 1, 1917		\$4,495.14
Loss in working account 1917		2,416.01
		<u>\$6,911.15</u>

E. & O. E.

Shanghai, December 31, 1917.

Dr. O. VON SCHAB, *President.*
E. SIEBERT, *Hon. Treasurer.*

Audited and found correct,
CARL FRISCHEN,
Auditor.

Council Room, Shanghai, January 9, 1918.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of January 8, to the Chairman, enclosing the Report and Accounts for the Paulun Hospital for the past year.

In reply thereto I am directed to state that the Council accedes to your request to renew the Grant of Tls. 2,000 towards the funds of the Hospital for 1918, and will make provision accordingly in the forthcoming Budget.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Dr. VON SCHAB AND E. SIEBERT, Esq.,
For the Committee, Paulun Hospital.

GENERAL.

CHINA'S WAR MEASURES.

BREACH OF DIPLOMATIC RELATIONS WITH GERMANY.

Diplomatic Relations between China and Germany were broken off by the Chinese Government on March 14 with the full approval of Parliament.

Within the next few days the Council was informed that the Netherlands Consul-General had been charged with the protection of German interests :—

SIR,—I have the honour to inform you that I have received telegraphic communication from Her Netherlands Majesty's Minister in China that, the diplomatic relations between the Republic of China and Germany having been severed, the Royal Netherlands Legation at Peking has been charged with the protection of the German interests in China.

I have the honour to be, Sir, your obedient servant,
DE REUS,
Consul-General.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Council Room, Shanghai, March 16, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of March 15, informing the Council that the Royal Netherlands Legation at Peking has been charged with the protection of German interests in China.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

J. H. DE REUS, Esq.,
Consul-General for the Netherlands.

Shanghai, March 18, 1917.

SIR,—With reference to my communication of the 15th instant. No. 354, I have the honour to inform you that I have received notice from Her Netherlands Majesty's Minister in Peking that I have been charged with the protection of the German interests in my consular district.

I have the honour to be, Sir, your obedient servant,
DE REUS,
Consul-General for the Netherlands, in charge
with the protection of the German interests.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Council Room, Shanghai, March 21, 1917.

SIR,—I have the honour to acknowledge the receipt of your further communication of March 18, informing the Council that you have been charged with the protection of German interests in your consular district.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

J. H. DE REUS, Esq.,
Consul-General for the Netherlands.

On March 24 the Council received a communication from the Senior Consul transmitting copies of a notification issued by General Lu Yung Hsiang, Commissioner of Defence for Sungkiang and Shanghai, promulgating certain regulations for observance by German residents in China, with the request that they be posted in the Settlement. The Senior Consul's letter with the notification referred to and the Council's letter in reply are set forth hereunder :—

Shanghai, March 23, 1917.

SIR,—I have the honour to enclose herewith two dozen notifications issued by General Lu Yung-hsiang in consequence of the breaking off of China-German diplomatic relations.

I have signed these documents and you are requested to post them up in the Settlement.
If more exemplaries are needed kindly let me know.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

(Translation.)

Notification No 4 of the Sunghiang-Shanghai Commissioner of Defence.

March 21, 1917.

Whereas to the deep regret of our Government it has become necessary to sever diplomatic relations between China and her good friend Germany, whose subjects resident in our country are very numerous, it is right and proper to give public notice of the definite arrangements laid down in accordance with international practice as follows:—

1.—German civilians in the Chinese localities where residence is allowed may hereafter continue to reside as before, provided that within three days of the posting of notice in each such locality they report their names, surnames, ages, addresses and occupations at the police office at their place of residence, or when there is no police office at the magistrate's office, where the proper office will issue to them certificates of residence. Those who wish to leave China likewise must within the aforesaid period report the fact.

Hereafter German civilians will not be prevented from entering China but on entry must report as above prescribed. But the existence of special circumstances will justify exclusion.

Prisoners of war escaping into Chinese territory will be dealt with in accordance with general international law.

2.—The persons and property of German civilians resident in China will be uniformly protected in due manner and such persons may continue to follow their peaceable lawful avocations.

3.—German civilians resident in China must submit to all the Chinese laws and ordinances in force.

4.—German civilians resident in China if guilty of an offence or of conduct prejudicial to China or at recognized time of stress may be either ordered to withdraw or forbidden to withdraw or forbidden to remove and travel about and may be subjected to suitable restrictions.

And this applies also to those who do not obey the provisions of the first and second sections of Article 1 hereof.

5.—Those who are ordered to withdraw under the above provisions may while unable to withdraw owing to genuine obstacles be afforded proper disposition.

6.—German civilians resident in China who are in possession of private dangerous articles or of articles capable of military uses shall themselves hand them in on pain in case of detection of penalty, in addition to the confiscation of the hidden articles, on the lines of the provisions in Article 4.

The above articles, designed for protection and support, wholly out of the charity of the Government of China towards German residents are published for general observance.

LU YUNG-HSIANG,
Commissioner of Defence.

Council Room, Shanghai, March, 24 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of March 23, transmitting copies of a notification issued by General Lu Yung-hsiang bearing your countersignature and promulgating certain regulations to be observed by Germans resident in China consequent on the breach of Diplomatic Relations between China and Germany.

In reply I have the honour to inform you that these copies were posted in the Settlement this morning in accordance with your request.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

On March 26 the resignation of the members of the two German Companies of the Volunteer Corps, contained in the appended communication from Captain C. Stepharius to the Commandant, was accepted by the Council:—

Shanghai, March 23, 1917.

SIR,—I respectfully report that for the reasons verbally explained by me at the meeting which I had with the Chairman of the Shanghai Municipal Council and your goodself at the Council Room on Wednesday, the 21st instant, the members of the two German Companies of the Shanghai Volunteer Corps at the meeting held last night decided to resign as a body, handing over their arms and equipment.

They reserve for themselves to decide when they will be able to offer their services again to the Shanghai Municipal Council.

I am, Sir, your obedient servant,
C. STEPHARIUS,

Captain, Commanding German Companies, S.V.C.

Major T. E. TRUMAN,
Commandant, Volunteer Corps.

Following upon the posting of General Lu's notification, German subjects, resident in the Settlement, registered themselves at the Netherlands Consulate-General and declared the arms and munitions in their possession. A list of Germans so registered was compiled by the Netherlands Consul-General and transmitted by him to the Commissioner for Foreign Affairs.

During April and May, upon written application in each instance by the Chinese Authorities, searches for and the seizure of arms and munitions in the possession of such residents were carried out by the Police accompanied by delegates, appointed for that purpose by the Chinese Government and duly certificated by the Senior Consul. All arms and munitions seized were handed over to the Chinese Government.

On April 6 the German subject, Karl Frederick Seubert, was arrested within the enclosed premises of the Riverside Electricity Power Station and charged before the Mixed Court on April 10, for being thereon for an unlawful purpose. The action of the Police in taking the accused before the Mixed Court was the subject of the following protest by the Netherlands Consul-General :

Shanghai, April 11, 1917.

SIR,—I had the honour to receive yesterday evening a communication of the same date No. 3930, from the Captain-Superintendent of the Shanghai Municipal Police stating that the German subject Karl Frederick Seubert was brought before the Mixed Court yesterday morning (the 10th) charged with being found in the enclosed premises of the Shanghai Municipal Council Electricity Power Station, 93 Yangtzepoo Road, East, for an unlawful purpose at 11.55 p.m. on April 6.

I was informed in the same letter that the Assessor of the Mixed Court inquired before commencing the case whether notification of the defendant's arrest had been made to me, and that on hearing that it had not, he requested that such notification should be made by the Police.

The Captain-Superintendent added that in having the honour to do this he informed me that the case was remanded until 10 a.m. on Thursday, April 12, 1917.

In view of the above I have the honour to draw your attention to the fact, as I did already in my letter of March 18, No. 389, that having been charged with the protection of the German interests, it behoves me to enter a strong protest against the above proceedings of the Shanghai Municipal Police, who have thereby infringed the privileges of extraterritoriality, which the German subjects enjoy at present still in the same way as before the diplomatic relations between China and Germany were severed, because there is no suspension or rupture of the treaties concluded between the two nations. On whose authorisation the Police authorities acted, I am not aware, but it is my duty to entreat you to give the necessary instructions to the Police authorities that, if the man in question has been charged by the Police for having been found on April 6 at 11.55 p.m. within the enclosed premises of the Municipal Electricity Power Station at No. 93 Yangtzepoo Road, East, for an unlawful purpose and without plausible reasons, he ought to have been brought to answer for his behaviour to the competent judicial authority, which the German-Chinese Treaty of 1861, still in force, has provided for him as a German subject and which under the present circumstances is Her Netherlands Majesty's Consul-General at Shanghai, and not to the Mixed Court, which is incompetent in this case.

According to the newspaper reports the Legal Adviser of the Police, Mr. Newman, declared in the Mixed Court that they had no official intimation as to the Dutch Consulate taking over German interests and that this was only a rumour. In this connexion I beg to again refer to my above mentioned letter, which moreover was published in the Municipal Gazette and has therefore even come to the public knowledge. How the Legal Adviser can therefore pretend not to have knowledge of the contents of my letter is incomprehensible to me.

I now have the honour to request you to give instructions to the Captain-Superintendent of the Shanghai Municipal Police that the man Karl Frederick Seubert as a German subject be brought before me at 2.30 p.m. to-morrow, April 12, 1917, at No. 14 Yates Road in the International Settlement in order that the case may be investigated.

I have the honour to be, Sir, your obedient servant,

J. H. DE REUS,

*Consul-General for the Netherlands in charge with
the protection of the German interests.*

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Upon enquiry it was ascertained that, although paragraph 3 of General Lu's notification specifically provided that "German civilians resident in China must submit to all the Chinese laws and ordinances in force," certain instructions had been issued by the Board of Justice providing for the trial of German subjects, except in the case of certain criminal offences, by the Netherlands Consul-General, and accordingly reply was addressed to the Consul-General as follows :—

Council Room, Shanghai, April 12, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of April 11 protesting against the action of the Police in bringing the German subject Karl Frederick Seubert before the Mixed Court on April 10 on a charge of being found on the premises of the Council's Electricity Department Power Station at 93 Yangtzepoo Road for an unlawful purpose.

In reply I have the honour to inform you that the Police Legal Assistant was fully aware of your letter of March 18 informing the Council that you were charged with the protection of German interests in your Consular district, and that the press reports of his remarks before the Mixed Court on this point are somewhat inaccurate. What he did in fact say and what the Court understood was that he was not aware that you had been charged with judicial administration over German subjects.

That the "protection of interests" was to be construed in any other than its usual sense and was intended to include judicial administration was not appreciated by the Council, particularly as, under paragraph 3 of the notification, issued by General Lu Yung-hsiang, and posted in the Settlement on March 24 at the request of the Senior Consul, it is provided that "German civilians resident in China must submit to all the Chinese laws and ordinances in force." The terms of this notification were published in the Municipal Gazette of March 29.

That it was thereby intended that all Germans resident in the Settlement should be subject to the jurisdiction of the Mixed Court seemed beyond question: your protest, however, makes it clear that such was not apparently the intention, and accordingly the Police Legal Assistant has been instructed to state on the resumption this morning of the hearing of the case at the Mixed Court, that the Council has no objection to the transfer of Mr. Seubert for trial before you.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

J. H. DE REUS, Esq.,
Consul-General for the Netherlands.

Council Room, Shanghai, April 12, 1917.

SIR,—I have the honour to transmit for your information a copy of a letter from the Consul-General for the Netherlands, protesting against the action of the Police in charging the German subject Karl Frederick Seubert before the Mixed Court, on April 10, with being found on the premises of the Council's Electricity Department Power Station at 93 Yangtzepoo Road for an unlawful purpose and copy of the Council's reply thereto.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,
Consul-General for Belgium and Senior Consul.

On the resumption of the adjourned proceedings at the Mixed Court, an order was made transferring the defendant for trial in the Netherlands Consular Court, whose findings were endorsed on the Police Charge Sheet as follows :—

"The Judge has found on the preliminary examination of the person charged, and of the witnesses, and Sergeant James Hunter, that there is no evidence of his having been on the above premises for an unlawful purpose. There is therefore no ground to open a prosecution against him and bring him up for a public hearing, and he is exonerated of the charge brought against him and to be immediately set at liberty."

J. H. DE REUS,
Consul-General for the Netherlands and in charge of German interests.

Shanghai, April 12, 1917.

On April 17, a copy of the Provisional Regulations, issued by the Board of Justice, for the trial of German subjects in criminal cases, was transmitted to the Council by the Senior Consul whose letter and enclosure are appended :—

Shanghai, April 17, 1917.

SIR,—I have the honour to let you have the copy of a letter with an annex received from the Commissioner for Foreign Affairs concerning provisional regulations for the trial of Germans in Chinese criminal cases.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Consul-General for Belgium and Senior Consul.

(Translation).

Shanghai, April 12, 1917.

SIR,—I have the honour to forward copy of the provisional regulations decided on by the Board of Justice for the trial of Germans in criminal cases.

These regulations have been forwarded to me by the Board of Foreign Affairs which instructs me to enforce them and to make the requisite arrangements with the Dutch Consul.

The Board's despatch states that in confirmation of its telegraphic instruction it now communicates a despatch from the Board of Justice as follows :—

"In consequence of China's severance of relations with Germany, it became necessary to devise measures for the adjudication of all cases affecting Germans.

"The Board is by circular instructing all courts to apply the provisional regulations decided on by it for such adjudication and trusts that your Board will have the enclosed set of provisional regulations notified."

The Board of Foreign Affairs has informed the Netherlands Minister that, while the severing of relations between China and Germany does not under international law empower Germany to delegate to another nation the exercise of the consular jurisdiction arising out of the provisions of China's treaty with Germany, our Government in the present instance out of its desire to treat favourably German residents in China reserves only offences under one part of our criminal code for trial in Chinese Courts, all other cases hitherto justiciable by German Consuls in China being left to the Netherlands Consuls in China to try.

Instructions in the above sense are also being given to the Mixed Court.

I have the honour to be, Sir, your obedient servant,

CHU CHAO HSIN,

Commissioner for Foreign Affairs.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

(Enclosure).

PROVISIONAL REGULATIONS FOR TRIAL OF GERMANS IN CRIMINAL CASES.

1.—Germans committing offences under the subjoined clauses of the New Criminal Code are triable by the Court of China.

(a)	Offences under Art. 101 to 104	
(b)	" "	110, 111 and 113
(c)	" "	118 to 126
(d)	" "	133 to 136
(e)	" "	153 to 155
(f)	" "	164 and 165
(g)	" "	168 to 171
(h)	" "	186 to 189, and 191 to 194
(i)	" "	203 to 205
(j)	" "	210 to 212, 215 and 216
(k)	" "	221
(l)	" "	311 and 313
(m)	" "	371, 373, 374 and 376
(n)	" "	403

Other offences than the above which affect China's peace and at critical periods shall also be tried by Chinese Courts.

2.—The preliminary trial of the above offences except those under Sections 3 and 4 of Art. 6 of the draft Criminal Code shall come under the local Court of First Instance and where no such Court is working shall be remitted by the proper local authority to the nearest local court, etc. Otherwise the arrangements for such cases shall be under the High Court's system and other special orders.

3.—All Germans under remand or after sentence shall go to the new prisons.

4.—These Rules come into force on date of publication.

Council Room, Shanghai, April 18, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of April 17 transmitting a copy of a letter from the Commissioner for Foreign Affairs enclosing a copy of the provisional regulations decided on by the Board of Justice for the trial of German subjects in criminal cases.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

Since these Regulations, whilst permitting of the trial of German subjects in certain criminal cases by the Netherlands Consular officials, contained no provision enabling any ex-German Consular officials to take part therein, and since, in the absence of any official intimation to the contrary, the Council was bound to assume that, as a consequence of the breach of Diplomatic Relations, such officials had neither right nor authority to officiate at the trial of Seubert as they did, and since certain facts, disclosed by the Police report on the trial, were such as in the Council's opinion called for emphatic protest, the following communication was addressed to the Netherlands Consul-General on April 23 :—

Council Room, Shanghai, April 23, 1917.

SIR,—I have the honour to address you on the subject of the trial, in Her Netherlands Majesty's Consular Court on April 12, of the German subject Karl Frederick Seubert, on a charge of being found on the premises of the Council's Electricity Department Power Station at 93 Yangtze-poo Road for an unlawful purpose and to inform you that certain facts disclosed by the Police report on the trial are such as in the Council's opinion call for strong protest.

It seems that certain persons who held official positions in the German Consulate prior to the breach of diplomatic relations between China and Germany, but, who since then have no *locus standi*, were permitted to be present and that at least one of them took a prominent part in the conduct of the proceedings. The Provisional Regulations for the trial of German subjects in criminal cases, which were transmitted to the Council by the Senior Consul on April 17 and published in the Municipal Gazette on April 19, whilst permitting their trial by Her Netherlands Majesty's Consular officials, except in the case of certain criminal offences, contain no provision enabling any ex-German Consular officials to take part therein, and in the absence of any official intimation to the contrary, the Council is bound to assume that, as a consequence of the breach of diplomatic relations, ex-German Consular officials had neither right nor authority to officiate in the manner indicated.

After hearing the evidence of the accused and of two of the witnesses the Court stated that the case would be set down for hearing later, at the same time clearly intimating that it was of opinion that the accused's only offence, if it may be termed such, was that of drunkenness and that he should not again be locked up. Whether he was in fact guilty of any more serious offence or not is immaterial, but, the Court having given expression to this opinion, the only course left to the Police Legal Assistant to adopt was to inform the Court that, if it was convinced at that stage that the accused had no felonious intent, it was useless to set down the case for further hearing. The Court having expressed its conviction on this point the Police Legal Assistant requested that the charge sheet be marked accordingly: this was subsequently done, the finding of the Court being published in the Municipal Gazette on April 19.

To the preliminary hearing of the charge *in camera*, if such is the usual procedure in Her Netherlands Majesty's Court, there can be no objection, but in the interests of the public and in the interests of justice the case before the Court required that the whole of the evidence should be investigated and the witnesses examined before the Court's final decision was given. The Court should not, the Council protests, have expressed such views at the preliminary hearing as would have so prejudiced the later hearing that the Police Legal Assistant was bound to take the action he did.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,
Chairman.

J. H. DE REUS, Esq.,

Consul-General for the Netherlands.

Council Room, Shanghai, April 25, 1917.

SIR,—I have the honour to transmit for your information copy of a letter addressed by the Council to the Consul-General for the Netherlands, protesting against the presence of certain ex-German Consular officials at the trial of the German subject Seubert in the Netherlands Consular Court on April 12 and at the part taken therein by at least one of these ex-officials, and also at the fact that the Court should have expressed such views at the preliminary hearing of the case as would have so prejudiced the later hearing that the Police Legal Assistant deemed it expedient to suggest that it was useless to set down the case for further hearing, a suggestion which was adopted by the Court.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

The reply of the Netherlands Consul-General and the Council's rejoinder were as follows:—

Shanghai, May 1, 1917.

SIR,—I have the honour to acknowledge receipt of your letter of April 23, No-17/296, by which you thought well to address me on the subject of the judicial action taken by me on April 12 in the case of the German subject Karl Friedrich Seubert, who was charged with being found on the premises of the Council's Electricity Department Power Station at 93 Yangtzepoo Road for an unlawful purpose, and to protest against certain features of this action.

I have to express my utmost surprise at the fact that the Council deems itself called, and, consequently, apparently deems itself entitled to pronounce an opinion on any act performed by me in my judicial capacity. The Council has in doing so entered a field which does not belong to it.

Your letter moreover reveals how much the Council is a stranger in this field, showing as it does a complete ignorance of the facts as well as of the rules of the procedure.

In view of the undesirable wrong impression, which the completely incorrect representation of the matter given in your letter, should it be published, would make on a public, which is not accustomed to distrust official statements of the Council and the large majority of which is probably as little acquainted with the rules of continental procedure as the Council, the following statement may be of interest: The judicial action taken by me has been none other than the collecting of preliminary informations required by Law before a prosecution can be instituted and as from the depositions of the person charged and of the witnesses it appeared to me with convincing strength that there was not the slightest indication of the unlawful purpose imputed to him, there was no ground for opening a prosecution and ordering the trial of the charged person, who according to Law had therefore to be relieved from prosecution.

What regards the presence of the ex-German consular officials at the enquiry, I have only to state that as three of those ex-officials have been allowed to me by the Chinese Government as assistants in the exercise of my consular functions for the protection of German interests, there can nothing be pretended against some of them assisting me in the exercise of those duties, which include also the judicial ones.

I have the honour to be, Sir, your obedient servant,
J. H. DE REUS,

*Consul-General for the Netherlands in charge
with the protection of the German interests.*

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Council Room, Shanghai, May 8, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of May 1, wherefrom the Council learns, for the first time, that the Chinese Government has conceded the employment of three of the staff of the former German Consulate-General to assist you in the care of German interests in the Settlement.

As the duly elected body of the whole Community charged with the safeguarding of its public rights and interests the Council must reserve to itself the right to decide what is the proper course to be taken in the event of the recurrence of any such incident as the case of Seubert.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,
Chairman.

J. H. DE REUS, Esq.,
Consul-General for the Netherlands.

Council Room, Shanghai, May 8, 1917.

SIR,—I have the honour to transmit for your information copy of further correspondence with the Consul-General for the Netherlands on the subject of the trial of the German subject Seubert in the Netherlands Consular Court on April 12.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,
Consul-General for Belgium and Senior Consul.

The correctness of the Police action in taking Seubert before the Mixed Court was subsequently upheld in proceedings against a German protégé, who objected to that Court's jurisdiction. The Assessor's remarks when overruling this objection are worthy of record :—

"By the dismissal of German officials from this country and by the reservation of certain offences, when committed by Germans, to the jurisdiction of her own Courts, China has in effect abrogated or suspended the operation of the Treaty. Such exemption from the local jurisdiction as German subjects enjoy at the present time is the result of a regrant of extra-territoriality, limited in extent. That regrant is expressed in the instructions recently issued by the Ministry of Justice, and, in accordance with the well-known principle of International Law, is to be construed most strictly in favour of the grantor that is to say there is only such derogation from the territorial sovereignty as is expressly conceded in the grant. The language of these instructions is perfectly clear and it is the language of revocation and limited regrant. It follows, I think, and a ruling has been expressly invited on this point, that it is for this Court, and for this Court alone, to determine in each and every instance the question of jurisdiction over German subjects, the question whether an offence is justiciable in this Court or in the Dutch Court. For this reason the action of the Municipal Police in a recent case was, in my opinion, perfectly correct, and they should follow a similar course on all future occasions, that is, bring the person charged to this Court in order that the question of jurisdiction may be determined here and not elsewhere."

WAR WITH GERMANY AND AUSTRIA-HUNGARY.

With a state of war existing between China and the Central Powers, as a result of China's declaration of August 14, it became necessary to examine the status of the Settlement and to consider how far, if at all, that status and the status of German and Austro-Hungarian subjects resident therein might be thereby affected. This examination involved a review of the evolution of Municipal government in the Settlement and an analysis of the respective rights and prerogatives of the Chinese Authorities, the Consuls of the Treaty Powers and the Council, particularly in reference to action affecting German and Austro-Hungarian subjects resident in the Settlement and their property therein situate.

By the Treaty of Nanking (1842) Shanghai was thrown open to foreign trade and residence and Consular officers were appointed as the medium of communication between the Chinese Authorities and British merchants. In the supplementary Treaty of Hoonun Chai (1843) extraterritoriality was granted in

favour of Great Britain, and at different times, similar grants were made to other Treaty Powers, whose nationals thus became amenable to their own laws as administered in their own courts.

In 1845 the first code of Land Regulations was published by H.M. Consul with the approval of the Chinese Authorities and the then so-called English Settlement was administered by a committee of land renters. These Regulations proved unsatisfactory, for within a few years questions arose as to how far they were binding on persons of other than British nationality who had arrived in the Settlement with their consuls. The want of some authority by which the cosmopolitan population of the Settlement could be welded together and the need of a form of municipal government which would be binding on all alike, led, in the year 1854, to the introduction, with the concurrence of the Chinese Authorities, of a new code of Municipal Land Regulations of a more or less comprehensive character, designed to secure to the Settlement the right of self-government through the community's elected representatives or Council.

The code of 1854, soon proved inadequate for the maintenance of law and order under the changed conditions in the Settlement, and accordingly in 1866 it was revised by the land renters in collaboration with the Consuls, the sanction of the Diplomatic Body being accorded in 1869. Under the revised code the members of Council were exempted from any personal liability in respect of claims arising out of their administration but, as a body, they were liable to be sued in the Court of Consuls established thereunder.

In 1881 the Regulations were again revised and, in 1883, they were submitted to the Diplomatic Body after considerable curtailment of the almost absolutist powers, which it was thereby sought to confer on the Council. This code was not passed until 1898 when Taotai Tsai expressed his unconcern in Municipal Regulations, which he maintained, were entirely a matter for arrangement between the Council and the Consular Body. In the following year upon the occasion of an extension of the Settlement, Taotai Li issued a proclamation setting forth that the Land Regulations should apply to the extended area and that, with certain reservations, the whole Settlement area should be within Municipal control.

This brief outline of Municipal evolution clearly shows an express abandonment by the Chinese Authorities of all claim to executive authority within the Settlement; an abandonment which has been endorsed time and again by usage and sufferance, so that it has been long recognised that the Council, having communication with the local Chinese Authorities through the medium of the Senior Consul, is the only authority having executive powers over Chinese subjects and the subjects of non-Treaty Powers resident in the Settlement.

China's entry into the war could not affect this position one way or the other and the status of the Settlement remained unchanged, but China's treaties with the Central Powers were abrogated, their nationals became enemy subjects and the status of those of them resident in the Settlement that of subjects of non-Treaty Powers, against whom consequently no measures of the Chinese Government, taken in safeguard of the peace and good order of the country, could be enforced, except through the medium of the Senior Consul and by the Council, with recourse, when required, to the Mixed Court, the court of competent jurisdiction over Chinese subjects and the subjects of non-Treaty Powers resident in the Settlement. The co-operation of the Council and the procedure by which that co-operation might have been obtained were readily available, but, as is hereinafter recorded, Mr. Sah, the Commissioner for Foreign Affairs, neither sought nor accepted such co-operation, endeavouring himself to assert executive control within the Settlement in disregard of its well established rights.

On August 14 the premises of the Deutsch-Asiatische Bank were sealed by the Police, under order of the Mixed Court, made upon application by the Commissioner for Foreign Affairs representing the Chinese Government. On August 16, the premises were unsealed and possession taken, under order of the said Court, by the Commissioner for Foreign Affairs, the Minister of Finance and a representative of the Bank of China. Within the next few days the Police sealed up the premises of the Club Concordia and the offices of "The War," "The Deutsch Zeitung für China," "Der Ostasiatische Lloyd" and the "Hoen Vung Yak Oo Pao" under similar orders made upon the like application.

Early in the morning of August 15, a somewhat sensational raid was made, by a gang of desperadoes, on the Austro-Hungarian Consulate-General in Medhurst Road. One of the participants in this raid, Marasek, was shot dead by a companion named Kremlia, whose detention was effected by the Consulate Authorities.

During the day repeated representations for Kremlia's delivery into Police custody, were made to Mr. Quist, the Netherlands Acting Consul-General, but compliance therewith was refused, except upon an undertaking that he should not be taken before the Mixed Court, pending receipt of instructions from the Netherlands Minister in Peking; an undertaking which, Mr. Quist was informed, could not be given under any circumstances, since the Police were bound to take Kremlia before that Court whose jurisdiction he would then have an opportunity of challenging. Later in the day a request was made for additional Police protection, Mr. Quist expressing the fear that Kremlia might get away from the Consulate-General as he was only upon oath not to attempt escape. Reply was made that the Police already allocated to guard the Consulate-General could provide the necessary protection, if they were permitted to enter the Consulate-General grounds and keep a close watch over Kremlia and that unless this permission was given, or the request that he be handed over for confinement in a Police Station, complied with, Mr. Quist must accept full responsibility for his safe custody. That night Kremlia escaped, but, after a period of liberty, he was finally arrested with the seven other members of the gang concerned in the raid, and brought before the Mixed Court. The charge against two of the accused was withdrawn, three were discharged and three were released on their own promises to keep the peace: Kremlia, who was charged with the murder of Marascek, was acquitted.

On August 15 the Austro-Hungarian Company of Volunteers was disbanded by order of the Council. On the following day the Council was notified that Mr. Quist, had been charged with the protection of Austro-Hungarian interests. This notice and the Council's communication to the Senior Consul in reference thereto are appended:—

Shanghai, August 16, 1917.

SIR,—I have the honour to inform you that, under instructions from Her Netherlands Majesty's Minister at Peking I have been charged with the protection of the Austro-Hungarian interests.

I assumed my duties in connexion therewith yesterday.

I have the honour to be, Sir, your obedient servant,

M. J. QUIST,

Consul-in-charge.

A. S. P. WHITE-COOPER, Esq.,

Acting Chairman, Municipal Council.

Council Room, Shanghai, August 17, 1917.

SIR,—I have the honour to transmit herein copy of a communication received yesterday morning from Mr. M. J. Quist, Consul in charge of Her Netherlands Majesty's Consulate General, to the effect that he has been charged by Her Netherlands Majesty's Minister at Peking with the protection of Austro-Hungarian interests.

I also understand that the Dutch Consul claims that he has been entrusted with jurisdiction over Austro-Hungarian subjects, and that they must be brought for trial in his Court.

In view of the proclamation which was issued from Peking on August 14 announcing the outbreak of war between the Chinese Republic and the German and Austro-Hungarian Empires, it has been assumed by the Council that Austro-Hungarian subjects no longer enjoy Consular representation and that they are therefore subject to the jurisdiction of the Mixed Court.

The Council has received no official notification that the claim of the Dutch Consul to the jurisdiction in question has received the approval of the Chinese Government.

It is most important to the Council in performing the functions of policing this Settlement that it should be decided at once and beyond dispute what is the tribunal to which German and Austro-Hungarian subjects are amenable, and I have therefore the honour to request you to inform me what interpretation is put by the Consular Body on the nature of the protection to be afforded to Austro-Hungarian interests by the Dutch Authorities, and more especially whether such protection is to confer any jurisdiction in respect of the persons and properties of such subjects.

I have the honour to be, Sir, your obedient servant,

A. S. P. WHITE-COOPER,

Acting Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

Council Room, Shanghai, August 24, 1917.

SIR,—I have the honour to acknowledge the receipt of your communication of August 16, informing the Council that, under instructions from Her Netherlands Majesty's Minister in Peking, you have been charged with the protection of Austro-Hungarian interests.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman.

M. J. QUIST, Esq.,

Consul-in-charge of Her Netherlands Majesty's Consulate-General.

In reply the Council received a communication from the Senior Consul on August 28, transmitting a copy of a communication from the Commissioner for Foreign Affairs as to jurisdiction over enemy subjects:—

Shanghai, August 28, 1917.

SIR,—I have the honour to enclose herewith the translation of letter (No. 352-II) and a copy of its Chinese original from the Commissioner for Foreign Affairs in Shanghai concerning jurisdiction over German and Austro-Hungarian subjects.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Senior Consul.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Translation of letter from the Commissioner for Foreign Affairs to the Senior Consul, August 18, 1917.

I have the honour to let you know that on August 18 I received from the Wai Chiao Pu a telegram with following instructions:

"For the criminal and civil jurisdiction of enemy subjects provisional rules have been laid down and published.

When enemy subjects bring suits or charges against other foreigners, the Consuls of the latter take jurisdiction as the treaties prescribe. Criminal cases by other foreigners against enemy subjects which before the declaration of war had to go before the German and Austrian Consuls and suits between enemies as well as cases between enemies and Chinese are all judicable by the Chinese Courts.

This has been notified by the Board to the Ministers of allied and neutral nations for transmission of orders through their consular representatives all over China.

At the various ports where Chinese police authority does not extend it is also hoped that the same will be notified to the various Consuls or Consular Bodies concerned to notify to the Municipal Councils or Committees of Settlements that in all cases where offences are committed enemy subjects must be dealt with identically with offences committed by Chinese subjects."

I have the honour, Consul-General and Senior Consul, to request you to bring the above to the notice of your colleagues of any Treaty Power.

Meanwhile, in disregard of the Consular Body, of the Council and of the rights of the Settlement, for the preservation of which the Council is primarily responsible, as the duly elected body representative of the community, the local Chinese Authorities endeavoured to establish the Mixed Court as the medium for communication with and for exercising authority over the Municipal Police. This endeavour to assert a right of intervention in the affairs of the Settlement was followed by an attempt at executive control of a certain section of Settlement residents, by the establishment, at the Bureau for Foreign Affairs, 122 Bubbling Well Road within Settlement limits, of the "Provisional Registration Office of the Sunghiang and Shanghai District," at which registration by Austro-Hungarian subjects was enjoined in an announcement in German which appeared in the local press on August 30, a translation of which is appended:—

OFFICIAL NOTICE.

Notice is hereby given that most of the Austro-Hungarian subjects residing at Shanghai have already reported themselves at the Local Registration Office. To prevent non-reporting the time for doing so is extended by 3 days, i.e. from the 30th August to the 1st September inclusive. Those Austro-Hungarian Subjects who have not reported themselves are hereby requested to do so in the above mentioned space of time at the Registration Office, No. 122 Bubbling Well Road.

It is in their own interest that Austro-Hungarian subjects are earnestly requested to carry out this request.

*The Provisional Registration Office of the Sunghiang
and Shanghai District.*

Shanghai, August 30, 1917.

These and other endeavours of a similar character to function in the Settlement were the subject of the Council's most earnest protests as set forth in the subjoined correspondence:—

Council Room, Shanghai, September 4, 1917.

SIR,—I have the honour to address you on the subject of the measures instituted by the Chinese Government against German and Austro-Hungarian subjects and their property, in so far as such measures affect the Foreign Settlement.

The amicable relations which exist between the Council and the local Chinese Authorities have been contributed to, in no small degree, by the general recognition of the fact that the Council is responsible for the peace, good order and administration of the Settlement, and that, in all matters in which Chinese Government officials are concerned, it is the long established practice, that official communication on the subject be made to the Council through the medium of the Senior Consul, thus conducing to the harmonious co-operation of all concerned,

It is therefore a cause for regret that, since the declaration by the Chinese Government of war on Germany and Austria-Hungary, certain measures have been taken within the Settlement by the local Chinese Authorities without either the knowledge or assent of the Council. That this departure from the correct procedure may be due to oversight it is recognised, but the importance of maintaining amicable relations and the value of co-operation, particularly at the present time, should not be lost sight of by the local Chinese officials, to whom I have therefore the honour to request that representations be made that, in future, the customary procedure be strictly observed, and that accordingly, whenever the institution of any measure affecting Germans and Austro-Hungarians and their property in the Settlement is desired, the necessary written representations to that end be made to you for communication to the Council by whom the appropriate action will be taken. If this procedure is strictly observed the local Chinese Authorities can rely on the close co-operation and assistance of the Council. That it should be observed is important, as thereby conflict, between such measures and those which the Council may itself find necessary to enforce in the interests of the peace and good order of the Settlement, will be avoided.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

Council Room, Shanghai, September 10, 1917.

SIR,—I have the honour to transmit, herein enclosed, copy of a notice published in the "China Press" of September 9, requiring the registration of German and Austro-Hungarian subjects at "the Sungkiang and Shanghai Branch Investigation Office," 122 Bubbling Well Road, within the limits of the Foreign Settlement.

The establishment of this office and the issue of this notice without the Council's assent serve to emphasise the need for the protest, which I had the honour to address to you on September 4, requesting representations to the local Chinese Authorities impressing upon them the necessity for observance of the customary procedure in all matters affecting the Settlement.

Moreover, the establishment of a Chinese Government office in the Settlement exercising functions therein, even though accommodated in the grounds of the Bureau for Foreign Affairs, cannot be permitted. I have the honour, therefore to express the Council's earnest hope that you will address immediate representations to the local Chinese Authorities to secure the withdrawal of the notice in question and the removal, beyond limits, of the office therein referred to.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

(Enclosure)

NOTICE.

Notice is hereby given that the following regulations have now been made by this Office regarding the registration of German and Austrian Subjects.

All German Subjects residing in Shanghai, whether having previously obtained Registration Certificates or not to come to this Office, at 122 Bubbling Well Road, and register themselves again between the 15 and 29 of September instant inclusive.

From the 1st of October next all male adults of German or Austrian Nationality residing in Shanghai to register themselves at this Office once every half month between the 1st and 5th and between the 15th and 20th inclusive.

From the 1st of October next all females and infants of German or Austrian Nationality residing in Shanghai, to register themselves at this office once a month between the 20th and 25th inclusive.

All German and Austrian Subjects must conform to the above regulations without fail.

Dated the 8th day of September, 1917.

THE SUNGKIANG AND SHANGHAI BRANCH INVESTIGATION OFFICE,

Council Room, Shanghai, September 14, 1917.

SIR,—I have the honour to refer to my letters of September 4 and September 10 requesting representations to the local Chinese Authorities, impressing upon them the necessity for observance of the customary procedure in all matters affecting the Settlement.

As illustrative of the urgency of such representations, I have the honour to inform you, that recently on more than one occasion, the Commissioner for Foreign Affairs has addressed certain orders to the Captain Superintendent of Police through the Mixed Court Magistrate, thereby endeavouring to establish that Court as the medium for communication with and for exercising authority over the Municipal Police and for asserting a right of intervention in the affairs of the Settlement that cannot be permitted. Why the Commissioner for Foreign Affairs should adopt this provocative attitude, when the co-operation and assistance of the Council are so essential, is best known to himself, but, whatever the reason, it cannot but impair the amicable relations between the Council and the local Chinese Authorities. On each occasion when communications embodying such orders have been received by the Captain Superintendent, polite reply has been

made to the Mixed Court Magistrate that, to preserve regularity in procedure, the matters therein referred to must be made the subject of a communication from the Commissioner for Foreign Affairs to you for transmission to the Council.

You will appreciate that under the circumstances the Council can hardly look upon the enclosed communication from Mr. Kuan, the Mixed Court Magistrate, with any but feelings of misgiving, particularly as it is inconceivable that anyone holding the appointment of Commissioner for Foreign Affairs or Mixed Court Magistrate, and so deeply interested in the matters therein referred to, can possibly be so ignorant of them as they would fain have the Council believe, especially as such great prominence was given thereto in both the Chinese and foreign newspapers published in the Settlement. Moreover, if it was desired that the Police should give information, enquiry to that end should have been addressed to the Council through you and not through the channel selected. The Council has, therefore, to request that the communication be returned to the Commissioner for Foreign Affairs.

As, however, such facts as are given in the communication are calculated grossly to mislead, I have the honour to state for your information that the true facts of the case are as follows:—

On August 16 warrants for the arrest of nine men, suspected of being concerned in the plot to raid the Austro-Hungarian Consulate-General were issued by the Mixed Court: four of these men were arrested in Shanghai on August 17, and, between that date and August 22, a further four men were arrested in the British Concession at Tientsin and subsequently, handed over to Municipal Police detectives sent thither for that purpose. On receiving information that the ninth man, Krempasky, was in the custody of the Dutch Legation at Peking, these detectives proceeded there when the man was handed over into their charge by the proper authorities. On August 29 all five men were brought from Tientsin to Shanghai where they await trial.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,
Consul-General for Belgium and Senior Consul.

(Enclosure).

Translation of letter from the Mixed Court Magistrate to the Captain Superintendent of Police: dated September 11, 1917.

I have to state that yesterday I received an order from the Commissioner of Foreign Affairs' Yamen, as follows:—

"A petition forwarded by your Mixed Court, reporting that the Police have gone to Peking to take over eight Austrian prisoners and that you would send a further report after their trial, has been noted. I (Commissioner of Foreign Affairs) have ascertained that the Austrian named Krempasky was the person I wanted to investigate when I was telegraphically ordered by the Ministry of Foreign Affairs. Later I received a further report from your Mixed Court stating that they were concerned in the murder which occurred in the Austrian Consulate and that your Mixed Court have not sent any men to Peking to arrest them, etc.

More than twenty days have passed since the murder occurred in the Austrian Consulate. On August 25 when you forwarded your reply you still did not know that men have been sent to Peking to make arrests, but on August 31 you received a report from detectives that the eight Austrians named Krempasky, etc., have been arrested and brought to Court. I was astonished when I considered the circumstances carefully. What are the true circumstances of the case? By whose order were the detectives sent to Peking to make arrests and have they (detectives) reported to you to arrange according to the usual regulations? How is it that you have not heard or seen anything when the matter occurred? You are ordered to make immediate enquiries and forward a reply, in the first instance, without any indistinctness."

On receipt of the above, I (Mixed Court Magistrate) have ascertained that on August 16 the Central Police Station applied for a warrant for the arrest of nine Austrians named Krempasky, etc., who were charged with intending to commit a felony in the Austrian Consulate. Later I received a report to the effect that the wanted men were also concerned in the murder of one Marascek but I have not issued a separate warrant. When the Police Detectives went to Peking to arrest the wanted men, they took away the above mentioned warrant and have never requested this Mixed Court to issue a formal despatch with the countersignature of the Commissioner of Foreign Affairs' Yamen for the purpose of making arrests. This procedure is contrary to the usual regulations.

On receipt of the above reproachful order from the Commissioner of Foreign Affairs' Yamen, it is my duty to request you (Captain Superintendent of Police) to take note and find out by whose order were the detectives sent to Peking to take over prisoners and according to what official document? Why did they not comply with the usual regulations in coming to this Mixed Court and apply for an official despatch to make arrests?

Please send me a reply, giving true circumstances, within a reasonable time, so that I can transmit accordingly, thus obliging.

Shanghai, October 6, 1917.

SIR,—I have the honour to enclose herewith a Chinese letter and free translation from the Commissioner for Foreign Affairs concerning regulations for enemy subjects wishing to continue business in China.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

[Enclosure.]

Translation of letter from the Commissioner for Foreign Affairs to the Senior Consul, dated October 3, 1917.

After the declaration of war by China on Germany and Austria-Hungary, all the regulations and rules of jurisdiction over German and Austro-Hungarian subjects were sent to you for record.

I have now received a despatch from the Board of Foreign Affairs stating that with reference to the regulations for "The permission or otherwise of enemy subjects to do business within the bounds of the Chinese Republic" all German and Austro-Hungarian merchants in the local port must go to the local branch investigation office for a permit or licence to continue their business. I herewith forward a copy of the said regulations.

Council Room, Shanghai, October 11, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of October 6, enclosing a communication and translation from the Commissioner for Foreign Affairs, to the effect that all German and Austro-Hungarian merchants are required to report to the Branch Investigation Office for a permit or licence to continue business.

In reply I have the honour to refer to my letter of September 10, protesting against the establishment within Settlement limits of the "Sungkiang and Shanghai Branch Investigation Office," and expressing the Council's earnest hope that you would address immediate representations to the local Chinese Authorities to secure its removal beyond limits. I have also the honour to remind you that the Council has, as yet, received no reply to this protest nor to those addressed to you on September 4 and September 14 requesting representations to the local Chinese Authorities impressing upon them the necessity for observance of the customary procedure in all matters affecting the Settlement.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

Shanghai, October 15, 1917.

SIR,—I have the honour to acknowledge receipt of your letter dated September 10, 1917, concerning a notice published in the "China Press" of September 9 for the registration of enemy subjects at 122 Bubbling Well Road within the limits of the Foreign Settlement.

Protests have been addressed both to the Commissioner of Foreign Affairs and to the Diplomatic Body.

I have the honour to be, Sir, your obedient servant,

D. SIFFERT,

Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,

Chairman, Municipal Council.

Shanghai, October 15, 1917.

SIR,—I have the honour to acknowledge receipt of your letters dated September 4 and 14, 1917, concerning the non-observance by the local Chinese Authorities of the customary procedure in all matters affecting the Settlement.

We have pointed out to the Commissioner for Foreign Affairs that the International Mixed Court is still under the control of the Consular Body, that he could not give orders to the magistrates of said Court nor to the members of the Police of this Settlement and we have communicated to him the last paragraph of your letter concerning the true facts about recent arrests in Tientsin and Peking.

We quite approve your procedure of returning all communications which are not forwarded to you from the Chinese Authorities through the proper channels.

I have the honour to be, Sir, your obedient servant,

D. SIFFERT,

Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,

Chairman, Municipal Council.

Council Room, Shanghai, October 29, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of October 15, with reference to the non-observance by the local Chinese Authorities of customary procedure in all matters affecting the Settlement.

In reply I have the honour to inform you that the Council notes with appreciation that you have pointed out to the Commissioner for Foreign Affairs that the Mixed Court is still under the control of the Consular Body, and that he cannot give orders to the Magistrates of that Court nor to the members of the Police Force.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

Council Room, Shanghai, October 29, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of October 15, with reference to the notice published in the "China Press" of September 9, requiring registration of German and Austro-Hungarian subjects at the Sungkiang and Shanghai Branch Investigation Office established at No. 122 Bubbling Well Road within Settlement limits.

In reply I have the honour to inform you that the Council notes with appreciation that protests have been addressed to the Commissioner for Foreign Affairs and to the Diplomatic Body in Peking.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

On November 24 a Presidential Mandate was issued giving Mr. Sah permission to retire from his post as Commissioner for Foreign Affairs and appointing Mr. Tsong Tsong-cheng as his successor. Since then several officials have, in turn, been appointed to succeed Mr. Sah, but at the end of 1917 he was still at the Bureau for Foreign Affairs.

It was not until September 17, a month after the declaration of war, that the Council received any official notification of the Enemy Subjects' Regulations issued by the Chinese Government. On that date, however, a copy of these Regulations was received from the Senior Consul, with the request that the Council should take the requisite steps for their enforcement within the Settlement :—

Shanghai, September 15, 1917.

SIR,—I have the honour to forward a set of regulations governing the position of enemy subjects in China and providing for their registration and periodical reporting. These regulations came to me officially from the Commissioner for Foreign Affairs who received them from the Wai Chiao Pu. They have, therefore, the force of the law in China and I should be obliged if the Council would take the requisite steps to enforce them within the Settlement.

I am, Sir, your obedient servant,

D. SIFFERT,
Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,

Chairman, Municipal Council.

[Enclosure]

REVISED TRANSLATION.

System for dealing with munitions of war belonging to Enemy Authorities and private persons.

1. All munitions belonging to enemy countries within China are confiscated.
2. All munitions belonging to enemy subjects within China will be treated according to the third and fourth sections of the Summary Search System.

Rules for dealing with Enemy Subjects.

1. Enemy subjects resident in China may within five days make application to the Competent Local Authorities for the issue of a Pass to leave the country.
2. Those who have not registered before the declaration of war shall be ordered by the Competent Local Authorities within ten days to register themselves.
3. Enemy subjects who have been registered after approval of the Competent Local Authorities may continue to live in their former places. Their persons, lives and property will be given due protection provided that in places where it is not convenient to afford protection or at any time that it is deemed necessary the proper local authority may order them to remove to the spot decided upon, or the Government may issue passes ordering them to leave the country.
4. The property of persons so interned or expelled which they cannot carry with them will be taken custody of by the Competent Local Authorities, or the care of it may be provided for. Those who decided to entrust their property to a third party must obtain the consent of the Competent Local Authorities.
5. All enemy subjects resident in China may pursue their peaceful and lawful avocations provided that they first obtain the sanction of the Competent Local Authorities.
6. Travelling and touring are alike prohibited.
7. No enemy subject is allowed to enter China without the permission of the Government.
8. The Competent Local Authorities when they deem necessary may prohibit the issue by enemy subjects of any publication in any language.
9. These rules may be amended from time to time.
10. These rules come into force on the date of publication.

System for the protection of Enemy Subjects leaving the Country.

1. Enemy subjects in China after the declaration of war who decide to retire from China shall within five days submit their full names, ages, residence and occupations to the Local High Authorities (whether Civil or Military) of the places where they are and request the issue of permits.

2. Enemy subjects allowed to retire from the country must have their property examined and, with the exception of articles of war-like use, they will be allowed to take as much as they can. Property left behind in China shall be dealt with under rule 4 of the rules for dealing with enemy subjects.

3. After the requirements of the above two rules have been complied with, the Local High Authority will fix the proper date for the said persons to begin their journey and will supply an escort to convoy them out of his jurisdiction. Before they start a special watch must be kept over their conduct.

4. The Government will indicate the route they are to follow.

5. The escort provided for enemy subjects leaving the country shall be arranged according to local conditions. They shall be passed on from one jurisdiction to another until they reach the limits of Chinese authority.

6. The High Authority of the places from which enemy subjects start shall give previous notice to the neighbouring district so that an escort may be provided without fail.

7. When an escort hands over enemy subjects to a neighbouring district it shall demand from the enemy subjects a certificate that they have been safely conveyed out of the district. The certificate obtained by each escort shall be reported to the Central Authority. Of these the important ones are those referring to their leaving Chinese jurisdiction.

8. Enemy subjects leaving China and their baggage shall be provided by the Competent Local authorities with carriage by land and water for which the enemy subjects shall themselves pay.

System for removing the Military Equipments of Austrians now serving in China in a Military capacity.

1. Consequent on the declaration of war against Austria the treatment of all persons within China serving in a military capacity (the Legation Guard at Peking, Austrian Volunteers inside Concessions and other Austrians with military equipment) has been communicated by the Chinese Government in accordance with the arrangements set out below to the Austrian Minister who has been asked promptly to notify the officers concerned when China will depute officers to make due arrangements.

(a) A delegate shall be appointed to count the number of Austrian military officers, their rank, names, and the number of officers and men under them.

(b) Days shall be appointed when all military accoutrements of all Austrian subjects shall be given up to the authorities, but side arms may be retained.

(c) The Austrian Military shall submit a complete record of the names of all Austrian subjects bearing arms, the whole number of names on their records, the number dismissed or relieved and the number now bearing arms.

2. The provincial and local authorities upon the receipt of the Declaration of War between China and Austria shall prepare a statement which they shall submit at once to the Austrian Consulates within their jurisdictions giving the details of such Declaration of War, also they must acquaint the Austrian Consuls within their jurisdictions of the regulations set out in the preceding Article of this instrument.

3. When the provincial and local authorities shall have received an answer to their despatch from the Austrian Military, they shall send the delegate appointed by the Chinese Government who shall take with him an interpreter and a bodyguard to the quarters of the Austrian Military, they shall meet the Austrian Military, and the Austrian officer in charge shall require his men to gather in the parade ground nearest their quarters, and the Chinese delegate shall ascertain the number present and shall provide conveyance to transfer them to the place selected for their internment.

System of Summary Search.

1. After the declaration of war enemy subjects are all liable to summary search.

2 The kinds of summary search are :

(1.) Search of residences, that is of the houses, shops, schools and missions of the said persons.

(2.) Search of baggage, this applies to baggage taken by such persons when moving to a fresh place of abode.

3. The following articles if detected during the search will be confiscated :—Explosives and materials of explosives, rifles, cannon and ammunition.

4. The following articles if detected during the search will be detained and handed over to the Competent Local Authorities for proper custody until the restoration of peace when they will be returned :—Personal shotguns and rifles and their ammunition, swords, etc., capable of military use, such military equipment as saddles, knapsacks, waterbottles and tools except saddles, etc., for each individual, flying machines and materials thereof.

5. The above arrangements will be put into force under the control of the Chief Military Authority in each district.

System of enforcing the rules for dealing with enemy subjects.

1. Enemy residents who have failed within the five days prescribed to notify their wish to leave China may obtain permits to leave the country through the Highest Authority telegraphing on the application of the Competent Local Authorities for the sanction of the Board of the Interior.

2. Enemy residents who have failed to register themselves within the prescribed ten days may be interned by the Competent Local Authorities, but if they satisfy that authority that their failure was due to causes beyond their control they may be allowed still to register.

3. Those who before the issue of these rules had already registered and remain within the jurisdiction of the Competent Local Authorities with whom they originally registered need not register over again, but that authority may when it deems necessary submit them to a further examination.

4. After registration and approval enemy subjects are to continue in their original places of abode, but if there is some special reason necessitating their removal they shall through the Competent Local Authorities move the Highest Authority of the district to telegraph for leave from the Board of the Interior.

5. Those who under rule 3 should have permits issued to them by the Government obtain these on the application of the Competent Local Authorities to the Highest Authority of the district who telegraphs for the sanction of the Board of the Interior.

The permits under the first rule of this and the preceding sections are issued by the Board of the Interior through the nearest Competent Local Authorities. Such permits are to bear the seal also of the Board of Foreign Affairs and will be forwarded to the local Authorities through the Foreign Affairs Commissioner of the province concerned who will affix his seal to them.

6. In the case of property dealt with under No. 4 of the above rules, the Competent Local Authorities, whether for actual reasons of necessity or for the better preservation thereof, may remove to any suitable place or dispose of by sale articles and other sorts of moveable property.

Such sale must be fully entered in a register and should have the assent of the person removing elsewhere or leaving China.

7. In such cases the person so removing or leaving China should, along with the Competent Local Authorities, inspect an inventory thereof and sign it for reference. The Local Authorities are responsible for its due preservation with the exception of damage caused by the Act of God or other irresistible and unforeseeable causes.

8. Enemy subjects who at the date of the publication of these rules are travelling under travelling passports are to be sent by the Competent Local Authorities of the place where they are back to their places of abode; this applies also when travellers do not wish to go on living at their destination.

When the local authorities find any difficulty in applying the above rules they should submit a detailed report through the chief local authority by telegraph for the decision of the Board of the Interior.

9. Holders of travelling passports who had not yet started on their journey will deliver their passports to the Competent Local Authorities to be cancelled. The same course will be pursued in the case of touring passports issued before the publication of these rules.

10. The publication mentioned under rule No. 8 includes all species of printing, copying and so forth and the prohibition covers every kind of publication.

11. The periods of five and ten days mentioned in rules 1 and 2 are to be reckoned from the date of posting by the Competent Local Authorities.

Note upon occupations permitted under the rules to enemy subjects.

1. The businesses carried on by enemy subjects should be subject to their reporting in full the sort of business, its capital, the full names of the partners, their places of origin, ages, capital, period of business, position of main shop and branches. If the Competent Local authorities are satisfied that the business really comes within the category of lawful they will issue a certificate of authority.

2. After due report has been made as above, the local authorities will draw a precise statement in each case and all these will be forwarded through the Chief Local Authorities to the Board of the Interior for record. Certificates under this clause are liable to cancellation whenever it is deemed necessary.

Businesses of enemy subjects placed under the name of Chinese or of the subjects of other countries in order to avoid reporting under the rules may entail the closing up of the same.

3. As regards enemy subjects' businesses, financial, munitions, newspaper and publishing concerns are all stopped. Others which it is deemed necessary to stop may be stopped but only after reference through the Chief Local Authority by telegraph to the Board of Interior.

4. When licensing attention shall be paid to whether or no the nature of the business and its exercise involve possibility of breeding trouble.

5. When licensing attention shall be paid to the respectability of the proprietor and his connections, length of residence and former service in army or police.

In accordance with the request of the Senior Consul and in the interests of the peace and good order of the Settlement, the Council decided to call upon all enemy subjects, resident in the Settlement, or upon any municipal road, to register at the Town Hall, whereafter permits of residence or visit, as the case might be, were issued to all those of sixteen years of age and upwards; those issued to males containing a condition requiring them to report weekly at the Police Station of their district. The Council's reply to the Senior Consul, the notification calling upon enemy subjects to comply with the Council's registration measures and the form of residential permit issued thereunder follow:—

Council Room, Shanghai, September 17, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of September 15, forwarding a set of regulations governing German and Austro-Hungarian subjects in China with the request that the Council take the requisite steps for their enforcement within the Settlement.

In reply I have the honour to inform you that the Council has, as a preliminary measure, decided to call upon German and Austro-Hungarian subjects to register at the Town Hall, whereafter Permits of Residence or Visit, as the case may be, will be issued to them requiring periodical report to the Police.

The necessary Notification will be published in to-morrow's Gazette together with the Regulations above referred to.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

Shanghai, October 15, 1917.

SIR,—I have the honour to acknowledge receipt of your letter dated September 17, 1917, concerning the receipt of the set of regulations governing German and Austro-Hungarian subjects in China and the steps taken by the Council for their enforcement within the Settlement.

I have the honour to be, Sir, your obedient servant,

D. SIFFERT,

Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,

Chairman, Municipal Council.

MUNICIPAL NOTIFICATION No. 2466.

REGISTRATION OF GERMAN AND AUSTRO-HUNGARIAN SUBJECTS.

Notice is hereby given that no German or Austro-Hungarian Subject will be permitted to reside within or to enter the Foreign Settlement or to pass upon any Municipal road after Saturday, October 6, unless provided with the requisite Permit, which may be obtained upon application at the Town Hall.

To facilitate the issue of these Permits, the conditions of which must be strictly observed, all German and Austro-Hungarian Subjects resident within the Settlement or upon any Municipal road, are required to attend and register their names and addresses and produce their photographs (3 copies Passport size) at the Town Hall on any day, excepting Sundays, after Thursday, September 20, and on or before Monday, October 1, between 9 a.m. and 12 noon and 2 p.m. and 5 p.m.

By order,

N. O. LIDDELL,

Acting Secretary.

Council Room, Shanghai, September 18, 1917.

Residential Permit.

FOREIGN SETTLEMENT OF SHANGHAI.

*Issued in accordance with the Provisions of Municipal Notification
No. 2466 of September 18, 1917.*

Residential Permit No.

Name

Address

Is permitted to reside at the above address and to pass freely in the Foreign Settlement and upon all Municipal Roads.

September , 1917.

.....
Captain Superintendent of Police.

CONDITIONS.

1. This permit is non-transferable and must be produced on request by the Police.
2. Commencing from Sunday, October 7, the holder (if a male) is required to present himself in person once weekly between the hours of 8 a.m. and 6 p.m. at the Police Station of his District in order to have his permit checked by the Police.
3. The holder is not allowed to change his or her residence without the written permission of the Captain Superintendent of Police.

BEDINGUNGEN.

1. Diese Aufenthaltskarte ist unübertraglich und muss auf Beehl der Polizei vorgezeigt werden.
2. Vom Sonntag, 7. Oktober muss der Inhaber (männliches Geschlecht) dieser Aufenthaltskarte in eigener Person sich einmal in der Woche zwischen 8 Uhr Morgens und 6 Uhr abends am dem Polizeiamt seines Bezirkes anmelden damit die Aufenthaltskarte von der Polizei kontrolliert werden kann.
3. Der Inhaber muss seine Wohnung ohne eine geschriebene Erlaubnis des Kapitänsuperintendenten der Polizei nicht wechseln.

PHOTOGRAPH.

The Council's registration measures were immediately followed by a number of protests on the part of enemy subjects, typical of which are the following :—

Shanghai, September 24, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of September 21, informing me that so far as residence within the Foreign Settlement, entry into the Foreign Settlement or passage upon any Municipal road are concerned, the only permit requisite is that issued by the Council, and the only registration required to secure such permit is that provided by Municipal Notification No. 2466. Registration with the Chinese Authorities is quite unnecessary.

In reply I beg to inform you that in my opinion Municipal Notification No. 2466, reading :—"Notice is hereby given that no German or Austro-Hungarian Subject will be permitted to reside within or to enter the Foreign Settlement or to pass upon any Municipal road after Saturday, October 6, unless provided with the requisite Permit which may be obtained upon application at the Town Hall.

To facilitate the issue of these Permits, the conditions of which must be strictly observed, all German and Austro-Hungarian Subjects resident within the Settlement or upon any Municipal road, are required to attend and register their names and addresses and produce their photographs (3 copies Passport size) at the Town Hall on any day excepting Sundays, after Thursday, September 20, and on or before Monday, October 1, between 9 a.m. and 12 noon and 2 p.m. and 5 p.m." is illegal, being contrary to Article 15, of the Land Regulations ruling this Cosmopolitan Settlement. This Cosmopolitan Settlement of Shanghai having so far not declared War on the Central Powers or joined any of the belligerent parties, I submit that the Municipal authorities are not entitled to restrict the Liberty of a certain part of Tax-paying and peaceful Residents of this Settlement.

I furthermore maintain that China having declared War on the Central Powers does in no way alter the Status of this Cosmopolitan Settlement and affect the rights of German and Austro-Hungarian citizens living therein as hitherto enjoyed by them, notwithstanding more than 3 Years War in Europe.

I want to draw the Council's attention to the Chinese Notification issued by the Chinese Local Authorities, requiring as well German and Austro-Hungarian Residents to register themselves with the Chinese Local Authorities, in competition to the Municipal Council Authorities, and such assuming Sovereign Rights in this Cosmopolitan Settlement of Shanghai.

I submit that this being the consequences of the Chinese Authorities, being allowed, and even assisted by the Municipal Council, to seize Arms in the possession of German and Austro-Hungarian Residents, and even be allowed to search their houses to this effect, to close the premises of the Deutsch-Asiatic Bank, the Club Concordia, contrary to the established Laws of this Cosmopolitan Settlement. And the Fact that the Chinese authorities never have been allowed, to interfere, with the Administration and Ex-territorial right of the Citizens represented by the 14 Treaty Powers living herein and being Ratepayers of this Settlement.

IN CONSEQUENCE OF THE ABOVE STATED FACTS, I beg to protest against Municipal Notification No. 2466, and reserve to myself all the rights to which I was and still Am entitled as a peaceful Resident of 26 Years standing of this Cosmopolitan Settlement.

I am, Sir, your obedient servant,
GEORGE SINNECKER.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, September 29, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of September 24, protesting against Municipal Notification No. 2466 and in reply to inform you that your protest is noted.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

G. SINNECKER, Esq.,

Shanghai, September 25, 1917.

SIR,—As Senior of the German and Austro-Hungarian Communities of Shanghai, I have been requested to hand you the enclosed protest of the two Communities against Municipal Notification No. 2466 concerning the Registration of German and Austro-Hungarian Subjects.

I am, Sir, your obedient servant,
C. STEPHARIUS.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

- (1) The International Settlement of Shanghai is no Sovereign State.
- (2) The jurisdiction over the residents in the International Settlement rests neither with the Consular Body as such nor with the Shanghai Municipal Council, but with the Consul of each individual ratepayer.
- (3) China has declared war on Germany and Austria and Hungary and assumed jurisdiction over Germans and Austrians and Hungarians, the Chinese Authorities thereby assuming the place of the German and Austrian and Hungarian Consular Officials.

(4) The Shanghai Municipal Council is nothing but the Executive Organ for the will of the above Authorities.

(5) The Chinese Authorities have neither asked for nor consented to the steps the Shanghai Municipal Council intends to take against Germans and Austrians and Hungarians under Notification No. 2466.

(6) These steps are, therefore, unlawful, and the German and Austrian and Hungarian Communities—if forced to yield to them—protest most emphatically against such arbitrary action on the part of the Shanghai Municipal Council, and reserve to themselves the right to take legal proceedings against the Shanghai Municipal Council and its Members as soon as normal conditions have been re-established.

Council Room, Shanghai, September 29, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of September 25, transmitting a protest, on behalf of the German and Austro-Hungarian communities against Municipal Notification No. 2466 which requires the registration of all German and Austro-Hungarian subjects.

In reply I am directed to inform you that your protest is noted.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

C. STEPHARIUS, Esq.

Shanghai, September 29, 1917.

SIR,—Having been a law-abiding resident and ratepayer of the Foreign Settlement of Shanghai for a period of about sixteen years, I may be permitted to once to ask a few questions. I refer to Notification No. 2466, regarding the required registration of Germans and Austro-Hungarians. Of course I have submitted to this enforced registration, as at present "Might" appears to be "Right," but what I should like to be informed about for further guidance is this:—

- (1) By what part of the "Land-Regulations," now in force at Shanghai, is the Municipal Council, not being at war with anybody as far as I am aware of, authorized to treat a peaceful ratepayer differently from the other members of this community and like a Chinese criminal?
- (2) What impartial and legal way is open to a ratepayer, treated thus, to protest and redress?
- (3) As hereafter I do not any longer enjoy exactly the same privileges as other ratepayers, not of German or Austro-Hungarian nationality, am I obliged to pay any further taxes during the time Regulation No. 2466 is in force?
- (4) Am I bound to register and follow the instructions issued by the local Chinese Foreign Commissioner too, or may I refrain from doing so at the risk and under the protection of the Shanghai Municipal Council and the local Consular Body?

While thanking you for the favor of an early reply,

I remain, respectfully yours,
G. G. DANIELS.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, October 4, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of September 29 on the subject of the registration of German and Austro-Hungarian subjects required under the terms of Municipal Notification No. 2466. To the several questions therein contained I am directed to reply as follows:—

1. The Municipal Gazette of September 18, and the regulations therein set forth seem to have escaped your notice. Apart therefrom the Council is responsible for the peace and good order of the Settlement, and has full power and authority to take such action as it may deem necessary in furtherance thereof.
2. Your letter is sufficient protest.
3. Municipal Notification No. 2466 does not affect your liability for Municipal rates and taxes.
4. So far as residence within the Foreign Settlement, entry into the Foreign Settlement or passage upon any Municipal road are concerned, the only permit requisite is that issued by the Council and the only registration required to secure such permit is that provided by Municipal Notification No. 2466.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

G. G. DANIELS, Esq.

That the Council's registration measures were, however, appreciated by certain enemy subjects resident in the Settlement, is evidenced by the request contained in the subjoined letter to which effect was immediately given by the Council :—

Shanghai, October 6, 1917.

SIR,—With reference to yesterdays' proceedings in the Mixed Court and my Statement as per enclosure, in the interest of public peace and my personal safety I respectfully beg to apply for a withdrawal of the Permit to come to town given to one Antonio Zuliani at present in the Ward for enemy destitutes in Nantao.

I have the honour to be, Sir, yours respectfully,

AUSTRIAN LLOYD,

W. PUCHER,

Superintendent.

THE CHAIRMAN,

Shanghai Municipal Council.

A further Notification as to registration was issued on October 4 as follows :—

MUNICIPAL NOTIFICATION No. 2471.

REGISTRATION OF GERMAN AND AUSTRO-HUNGARIAN SUBJECTS.

Notice is hereby given that all German and Austro-Hungarian Subjects, who have been prevented by absence or sickness from complying with the provisions of Municipal Notification No. 2466, and all German and Austro-Hungarian Subjects who are transient visitors to the Foreign Settlement are required to register in accordance with the said Notification at the earliest possible opportunity. The Registration Office at the Town Hall has been closed, but registration can be effected at the Central Police Station (Foochow Road entrance) on any day, Saturdays and Sundays excepted between the hours of 2 and 4 p.m.

By order,

N. O. LIDDELL,

Acting Secretary.

Council Room, Shanghai, October 4, 1917.

During September, the Police sealed the German Consulate-General, the Austro-Hungarian Consulate-General and the German Post Office, under orders of the Mixed Court made upon application by the Chinese Authorities, and, in October, correspondence passed between the Council and the Consular Body, as subjoined, on the subject of the taking of inventories of the property sealed therein :—

Shanghai, October 3, 1917.

SIR,—I have the honour to forward herewith included a Chinese letter, and a free translation concerning the inventory of enemy property sealed up in the Consulates, Club and Post Office of Germany and Austria-Hungary from the Commissioner for Foreign Affairs for your consideration.

I have the honour to be, Sir, your obedient servant,

D. SIFFERT,

Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,

Chairman, Municipal Council.

(Enclosure).

Translation of letter from the Commissioner for Foreign Affairs to the Senior Consul, dated September 29, 1917.

I have instructed the Mixed Court to seal up all the property and contents of the German and Austro-Hungarian Consulates and the German Club and Post Office, while I have also written to you concerning these matters. Now I have received a telegram from the Wai Chiao Pu in which it is said that the property and contents of German and Austro-Hungarian institutions which were sealed up before, must be inventoried. It is thus necessary to remove the seals and send our representative for these inventories. So I have written to the Mixed Court and have the honour to request you to ask the Police to give assistance to our representative when calling and asking the Police for help.

Council Room, Shanghai, October 6, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of October 3, forwarding a communication in Chinese from the Commissioner for Foreign Affairs with translation, on the subject of the making of an inventory of enemy property sealed up in the Consulates, Club and Post Office of Germany and Austria-Hungary.

In reply I have the honour to inform you that the Captain-Superintendent of Police has been directed to make the necessary Police arrangements, thereafter informing the Commissioner for Foreign Affairs when it will be convenient for the Police to attend upon the taking of the inventories.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman,

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul,

Shanghai, October 15, 1917.

SIR,—I have the honour to acknowledge receipt of your letter dated October 6, 1917, by which you let me know that the Captain-Superintendent of Police has been directed to make the necessary Police arrangements for an inventory of enemy property sealed up in the Consulates, Club and Post Office of Germany and of Austria-Hungary, and that thereafter the Commissioner for Foreign Affairs will be informed when it will be convenient for the Police to attend upon the taking of the inventories.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Shanghai, October 22, 1917.

SIR,—Pursuant to my letter dated October 3, I have the honour to forward you herewith copy of a further letter (with free translation) from the Commissioner for Foreign Affairs concerning the inventory of enemy property.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

(Enclosure).

Translation of letter from the Commissioner for Foreign Affairs to the Senior Consul, dated October 20, 1917.

With reference to the property of Germans and Austrians which has been sealed the Commissioner has received a telegraphic order from the Waichiaopu to make an inventory of the same: he wrote accordingly to the Senior Consul on September 29 asking that when he sends a representative of his yamen to remove the seals, the Consul will kindly direct the Police to co-operate in the matter. He now writes to say that he has decided to send his representative on the 23rd instant to remove the seals from German and Austrian property and, therefore, asks the Consul to direct the Police to render assistance.

Council Room, Shanghai, October 23, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of October 22 forwarding a communication in Chinese from the Commissioner for Foreign Affairs, with translation, further on the subject of the making of an inventory of German and Austro-Hungarian property sealed up in the Consulates, Club and Post Office of Germany and Austria-Hungary, and notifying the intention of the Commissioner for Foreign Affairs to send representatives, to-day, to remove the seals affixed to such properties.

In reply I have the honour to inform you that application will be made by the Council to the Mixed Court to-morrow morning for an Order for the removal of these seals, whereafter the Captain Superintendent will communicate with the Commissioner for Foreign Affairs, in accordance with my letter to you of October 6, stating the time when it will be convenient for the Police to attend upon the taking of the inventories. Removal of the seals in question cannot, of course, be effected by representatives of the Commissioner for Foreign Affairs.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

D. SIFFERT, Esq.,
Consul-General for Belgium and Senior Consul.

Shanghai, October 24, 1917.

SIR,—I have the honour to acknowledge receipt of your letter dated October 23, concerning the inventories to be made in the German and Austro-Hungarian Consulates, Club and Post Office.

I am communicating the contents of your letter to Mr. Sah, the Commissioner for Foreign Affairs.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Consul-General for Belgium and Senior Consul.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

In October proceedings were instituted by the Council in the Mixed Court against Mr. Henniger, ex-Councillor of the Imperial German Postal Service, for the recovery of the land tax, due in respect of the site occupied by the ex-German Post Office. The correspondence with the Netherlands Consul-General in regard thereto and the judgment of the Mixed Court are appended:—

Shanghai, October 17, 1917.

SIR,—In connexion with the proceedings instituted by the Assistant Secretary of the Shanghai Municipal Council on behalf of that Body before the Mixed Court of the International Settlement of Shanghai against Mr. F. Henniger, Imperial German Postal Councillor, for Tls. 331.46 being the amount of the Municipal ground tax for the half-year ending December

31, 1917, on the German Consular Lot 201 on which have been built the premises of the former German Post Office, I have the honour to inform you as follows :—

1. Mr. Henniger as the representative of the Imperial German Postal Department of Berlin cannot be personally held liable for debts of that Department. Officially, as the German Postal Councillor for China, he can further not appear in a Court of Justice in China, as since the abrogation of the relations between China and Germany he is not recognized in that official capacity any longer.

2. The debt in question is partly admitted by me for that period during which said postal official and the further staff of the German Postal service for China had the free and unlimited use of the Post Office; that period extending up to September 7 last inclusive, it is admitted that the ground tax owing by the Postal Department covers the period July 1, 1917—September 7, 1917.

3. The ground tax due for the latter period will be paid by this Consulate General when a bill and a receipt be presented in the usual way.

4. Since the seizure of the premises of the former German Post Office by the Chinese Government, that Government have become the *de facto* owners of the premises and the site, on which they have been erected and consequently the ground tax from September 8, 1917, onward should be recovered from them.

In view of the above, I beg leave to suggest that the Shanghai Municipal Council instruct their Assistant Secretary to withdraw the petition above referred to.

The case having been put down for hearing on Friday, the 19th instant, at 11 a.m., I should appreciate to learn your decision to-morrow.

I have the honour to be, Sir, your obedient servant,
J. H. DE REUS,

Consul-General for the Netherlands.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Council Room, Shanghai, October 18, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of October 17 on the subject of the proceedings instituted by the Council in the Mixed Court against Mr. F. Henniger, ex-Councillor of the Imperial German Postal Service, for Tls. 331.46, Municipal Land Tax for the half-year December 31, 1917, on German Consular Lot 201 occupied by the premises of the German Post Office.

In reply, I have the honour to inform you that the Council has no desire to hold Mr. Henniger personally liable for the Land Tax in question. The Land Tax is a charge on the land which is in the registered ownership of the Imperial German Government: the object of the Council's proceedings are to secure an order of the Court that the Land Tax due be paid by the renter of the land, so that in default of payment such further proceedings as may be necessary may be taken.

The Council cannot, it is regretted, agree with your suggestion that the proceedings should be withdrawn on the conditions set forth in your letter: withdrawal can only be sanctioned upon an undertaking to pay the whole of the Land Tax due. The respective obligations of the Chinese and German Governments in the matter *vis à vis* one another are no concern of the Council's.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

J. H. DE REUS, Esq.,
Consul-General for the Netherlands.

JUDGMENT.

Plaintiff in this action is the Acting Secretary of the Council for the Foreign Community in the International Settlement at Shanghai and defendants are the German Post Office with premises situate at No. 51 Szechuen Road being German Consular Lot 201. Plaintiff prays an order that defendants pay to him the sum of Tls. 331.46 being the Municipal land tax in respect of the said lot for the half-year ending December 31, 1917.

At the hearing correspondence was read which had been exchanged between the Acting Secretary and the Consul-General for the Netherlands in charge of German interests, in which the debt in question was admitted for that period during which the staff of the German Postal Service for China had the free and unlimited use of the Post Office: that period extending up to September 7 last inclusive.

I may say at once that the position adopted by the Consul-General appears to us to be based on a correct interpretation of the legal position. "The outbreak of war between two states, although it does not of itself work a confiscation, yet confers on the sovereign authority in each state a right to take the persons and to confiscate the property of its enemies found within its jurisdiction, even though the humane policy of modern times may mitigate the exercise of this right in practice; and if the sovereign authority chooses to exercise this right and to direct confiscation, then the judicial department will have no option but to give effect to it." (Brown v. The United States. Pitt Cobbett: Cases and Opinions on International Law Part II, p. 52.) "Property belonging to the enemy state, which a belligerent finds within his jurisdiction at or after the declaration of war, and which is not protected by some special immunity, is liable to seizure." (Wolf v. Oxholm: *ibidem* p. 60).

In the exercise of this right, the Chinese Government has attached the premises of the former German Post Office and has cancelled or at any rate suspended the operation of the perpetual lease under which the property in

question was held, and has become, as is contended by the Consul-General for the Netherlands, "the *de facto* owner of the premises and the site on which they have been erected." Under the Land Regulations the Council is entitled to collect the land tax only from "renters" and the German Post Office has ceased, by the action of the Chinese Government, to be in that position. The case is not, I think, as claimed by plaintiff's counsel, on the same footing as that of property in private ownership which has been attached by the Court. There the landlord can obtain an order for re-entry and can re-occupy the premises : here the German Government cannot re-enter without the consent of the Chinese Authorities.

The action must, therefore, fail.

P. GRANT JONES
Mixed Court Assessor.

November 2, 1917.

On October 12 Mr. Sinnecker was charged at the Mixed Court with failing to register in compliance with the Council's registration measures.

About this time the local Chinese Authorities apparently realised that under no circumstances would the Sungkiang and Shanghai Branch Investigation Office, established at the Bureau for Foreign Affairs, be permitted to function in the Settlement, for registration offices were set up outside Settlement limits, at which registration of enemy subjects was enjoined by a notice published in the local press, on October 19, by the Sungkiang and Shanghai Investigation Head Office.

NOTICE TO GERMAN AND AUSTRIAN SUBJECTS.

Notice is hereby given that for the convenience of German and Austrian Subjects registration offices have now been established outside the Settlement limits. Commencing from October all German and Austrian subjects residing outside the Settlement limits should within the prescribed periods either register themselves at the Branch Investigation Office in the Central Police Station of the Second District of the City. (No. 2097, Chaochow Road, outside west gate) or at the Branch Investigation Office in the Central Police Station of the Fifth District (No. 25, Pao Shan Road).

Henceforth all male adults must register twice a month between the 14th to the 15th and the 29th to the 30th inclusive and all female adults and children whether residing within or outside the Settlement limits must register at the respective Branch Investigation Offices once every three months between the 25th and the 27th day of the third month.

The above Registration Offices are open from 10 to 12 a.m. and 2 to 5 p.m. each day.

All Germans and Austrians must conform to the above without fail.

THE SUNGKIANG AND SHANGHAI INVESTIGATION HEAD OFFICE.

Shanghai, October 19, 1917.

The terms of this notice are at least curious, inasmuch as thereunder, of enemy subjects resident in the Settlement, only female adults and children were called upon to register, though no doubt the intention was that males should also register.

The establishment of these offices and the registration of enemy subjects thereat did not of itself adversely affect any rights of the Settlement and, since no attempt has been made to enforce registration thereat by Settlement residents, no action by the Council has been called for.

On October 22 the proceedings against Sinnecker in the Mixed Court were concluded and the Assessor delivered the Court's judgment, ordering the defendant to register himself within twenty-four hours, in accordance with the terms of Municipal Notification No. 2471 of October 4. It is interesting to note that, in spite of the protest contained in his letter of September 24 against the attempt of the local Chinese Authorities to take registration measures and to interfere in the affairs of the Settlement, the defendant set up the defence that these very Authorities were the only authorities competent to take such registration measures and that he had complied therewith. The judgment of the Court, which provides a very clear and interesting survey of Municipal evolution and of the status of the Settlement, is worthy of record :—

"The regulations in respect of which this prosecution is brought have been promulgated by the Chinese Government for the control of enemy subjects throughout the country. To make the regulations effective in areas such as concessions and settlements in which extraterritorial communities exercise by treaty, usage or sufferance, municipal functions necessarily require the co-operation of the foreign authorities concerned, but the regulations must have, I think, the force of law in such areas unless they are in some way repugnant to the local constitutions as established in Treaties or Land Regulations. They are not a mere measure of useless repression but a very necessary safeguard to the peace and

good order of the country ; a measure of far less stringency than the government of a country is entitled by international law to take on the outbreak of war against the persons and property of alien enemies (Brown v. U. S. 1814 : Pitt Cobbett : Cases and Opinions on International Law, 3rd Ed. p. 52), and of which no grant of extraterritorial privileges can deprive the sovereign state.

The question we have to decide is by whom such regulations should be brought into operation and enforced in an extraterritorial community such as this international settlement. The contention of the defendant, as far as I could understand his somewhat contradictory arguments, is that this function rests, if it rests with anybody, with the territorial authorities. To test the validity of that contention we have to examine the constitution of the Settlement and to ascertain to what extent there had been a derogation of the territorial sovereignty in favour of the extraterritorial municipal jurisdiction. For that purpose it is not necessary, I think, to go back further than the year 1854 when the influx of Chinese refugees from districts ravaged by the Taiping Rebellion as well as the natural increase of the foreign population led to the establishment of a more comprehensive scheme of Municipal government under the first international code of Land Regulations promulgated with the sanction of the Chinese Authorities. The functions to be exercised by the Council then created, involved the protection of life and property from sources of disquiet and danger within and without the Settlement, and measures necessary for the preservation of health, the organization of Police and the creation and administration of a revenue. The establishment of a Police force to protect the community in ordinary times of peace as well as the maintenance of a volunteer corps which had been called into existence during the stormy times of the Taiping Rebellion when the government of the country was unable to afford the protection guaranteed by Treaty were based upon the "principle of self-protection or self-defence which is recognized in international law, as a municipal law, as a justification or excuse for certain forms of extraterritorial action which would otherwise be unlawful." (The case of the Caroline : Pitt Cobbett, p. 162).

These Land Regulations, "having been found by subsequent experience to be inadequate to meet the exigencies of the administration of law and order," were superseded in 1869 by the revised regulations at present in force which were issued by the Diplomatic Body with the concurrence of the Chinese Government. (Joint Minute; Hertslet's China Treaties, 3rd Ed. Vol. 2, p. 665) "Article 1 recites that the boundaries of the land to which these regulations apply are . . ." and Article 9 "It being expedient and necessary for the better order and good government of the Settlement that some provision should be made for the appointment of an Executive Committee or Council, and for the construction of public works and keeping the same in repair; and for cleansing, lighting, watering and draining the settlement generally establishing a watch or police force therein . . ." The whole system of local administration received its latest ratification by the Chinese authorities in a proclamation, issued in 1899 on the occasion of an extension of Settlement limits, which sets forth that "All the Land Regulations shall operate in the extension both as they were originally framed and as subsequently added to" and that "The entire area with certain exceptions—of the general Settlement shall be within municipal control." By Land Regulation 1, as then amended, "The boundaries of the land to which these regulations apply are . . ." And they are more particularly defined by boundary stones fixed in position and by plans prepared and signed under the direction of the special deputies of H.E. Liu, Viceroy at Nanking, and of the Shanghai District Magistrate, together with the chairman of the Municipal Council for the year 1899.

These regulations and proclamations show, I think, an express abandonment by the Chinese authorities to all claim to the exercise of executive powers within the limits of the Settlement and create a position which has now received the additional sanction of usage and sufferance, and which the present attempt to clothe with executive functions an official who is primarily intended to act as a mere conduit pipe between the territorial authorities and the representatives of the Treaty Powers cannot be allowed to subvert. The only executive authority within this Settlement, so far as Chinese residents and persons in a similar position, i.e., subjects of non-treaty Powers are concerned, is the Municipal Council functioning under the control of the Consular Body and having communication with the native authorities only through the Senior Consul, and registration by any other person or body of persons is contrary to a fundamental principle of the constitution of the Settlement.

Now the treaties between China on the one side and Germany and Austria-Hungary on the other have been abrogated by the Chinese Government in accordance with the principle of International Law that treaties conferring an extraterritorial status upon alien enemies can have no subsistence in time of war. Thus "In the Turko-Italian war in 1911 Turkey issued a notification that Italian subjects would be no longer entitled to the benefit of the capitulations, which in the circumstances and having regard to the suspension of consular functions appears to have been warrantable at any rate during the continuance of the war." (Pitt Cobbett, Part II, p. 43). As the only executive authority over the subjects of these two powers, it was the duty of the Council to give immediate effect to the registration regulations; failure to do so might well have exposed the Municipal authorities to a charge of criminal negligence by the Chinese Government, for it is obvious, I think, that registration at the Bureau for Foreign Affairs, quite apart from its illegality, divorced as it must be from police functions, could have afforded no adequate security for the peace and good order of the Settlement which the Council is bound by a duty to the Chinese Government as well as to the ratepayers to preserve. The regulations were officially communicated by the Commissioner for Foreign Affairs to the Senior Consul and transmitted in due course to the Municipal Council, by which body a Notification was issued on September 18 appointing the Town Hall as the place of registration. With this notification the defendant has failed to comply.

We order defendant to register himself in accordance with the terms of Municipal Notification No. 2471 of October 4 within 24 hours."

Sinnecker, who was again before the Court on October 24, charged with failing to comply with the order contained in the above judgment, was committed to prison until such time as he should express to the Captain Superintendent of Police his willingness to register, when he should be taken to the place of registration and there register and thereafter be released from custody or until further order. On October 31 he complied with this order. The object of his misguided defiance of the Council's registration measures is apparent, but that defiance at least served the useful purpose of vindicating the attitude consistently maintained by the Council, that the Council was the only authority which could carry out such registration measures, as might be required to comply with the Enemy Subjects Regulations issued by the Chinese Government and for the preservation of the peace and good order of the Settlement.

In November an Austrian subject, Dr. Vilkovsky, deported by the Japanese Government, arrived in Shanghai, and, in proceedings subsequently taken in the Mixed Court, an order was made that he be handed over to the Chinese Authorities for internment as an undesirable alien and a menace to the peace and good order of the Settlement.

Sinnecker was again before the Mixed Court on January 2, 1918, and was fined \$100 for failure to report in accordance with Condition 2 endorsed on the permit issued to him by the Council.

OPIUM.

1917 marks an important year in the history of opium, the traffic in which had flourished in the Settlement during the past fifty years. On March 31, the remainder of the Opium Shop Licences were withdrawn in accordance with the measures of suppression, to which reference is made on page 102A of the Annual Report for last year. Unfortunately for the welfare of the Chinese community it cannot be claimed that the drug has, by this means, been completely eradicated, as evidence, proving that the trade therein is still surreptitiously carried on, is furnished by the number of prosecutions instituted at the Mixed Court during the course of the year, particularly against smugglers of contraband opium. A staggering blow has, however, been struck at the vital arteries of the opium traffic and it is hoped that, with the gradual awakening of national aspirations, Chinese residents will recognise the harmful effects of indulgence in narcotics and ultimately abandon the habit of opium smoking, thereby removing the root incentive to the illicit traffic in this drug.

The appended correspondence with the Senior Consul and with Mr. E. S. Little on the subject of the closure of the shops in the Foreign and French Settlements respectively, and with Mr. L. K. Kentwell as to the disposal of stocks in the possession of licensed shops after expiration of the licences, is included herein for purposes of record :—

Shanghai, May 26, 1917.

SIR,—I have the honour to let you have herewith a Chinese letter and a free translation from the Commissioner of Foreign Affairs concerning the closing of opium shops in the International Settlement for your consideration and reply.

I understand that the Commissioner would like to have an official written statement recording the actual closing of the shops and the date.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Senior Consul.

—
(Enclosure.)

Translation of letter from the Commissioner for Foreign Affairs to the Senior Consul, April 27, 1917.

SIR,—I have the honour to inform you that the prohibition to sell opium in the International Settlement has been fixed at the end of March of this year by the Municipal Council.

I discussed this matter with you several times and you told me that the Municipal Council would enforce the regulation and have all the opium shops closed uniformly at the appointed date. The licences for the sale of opium will not be issued after April 1.

Therefore I send you this letter for declaration and hope you will kindly answer me officially by letter in order that I may put it on record.

I have the honour to be, Sir, your obedient servant,
CHU CHAO-HSIN,
Commissioner for Foreign Affairs.

Council Room, Shanghai, May 31, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of May 26, containing a communication from the Commissioner of Foreign Affairs on the subject of the closure of opium shops in the International Settlement.

In reply thereto, I have the honour to state that full details regarding the elimination of opium shops from the Settlement are set out on pages 102A and 32c of the Council's Annual Report for the year 1916. As indicated therein all licences lapsed on March 31, 1917.

D. SIFFERT, Esq.,
Consul-General for Belgium and Senior Consul.

I have the honour to be, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

Shanghai, March 6, 1917.

DEAR SIR,—It is reported that the Opium Combine are making or have made arrangements with the French Council by which the opium shops in the neighbouring Settlement will be kept open indefinitely. I shall be glad if you will be good enough to advise me whether the International Settlement are working in accord with the French Settlement for the purpose of closing all shops simultaneously.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Yours faithfully,
E. S. LITTLE.

Council Room, Shanghai, March 12, 1917.

SIR,—I am directed to inform you in reply to your letter of March 6 that it appears on enquiry that there is no truth in the report that the Opium Combine is making or has made arrangements with the French Council by which the opium shops in the French Settlement will be kept open indefinitely: on the contrary, it is understood that the French Council in conformity with the policy adopted by the Council for the closure of opium shops by half-yearly drawings, will close the remainder of the shops in the French Settlement on March 31, on which date the remainder of the shops in the Foreign Settlement will also be closed.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

E. S. LITTLE, Esq.

Shanghai, March 8, 1917.

DEAR SIR,—On behalf of several clients who are licensed opium merchants in this settlement I write to inquire what disposition is to be made by them of opium whether with old labelling or new labelling remaining in stock after the expiration of their licenses at the end of this month.

Yours faithfully,
L. K. KENTWELL.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, March 13, 1917.

SIR,—In reply to your letter of March 8, I am directed to remind you of the fact that all opium shop licencees have been aware since March 1915 that their licences would be finally withdrawn on March 31 of this year at latest: accordingly steps should have been taken by them for the disposal before this date of all stocks of opium in their possession. No further facilities for disposal will be granted.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

L. K. KENTWELL, Esq.

COURT OF FOREIGN CONSULS.

The Court for 1917 was constituted, in accordance with the provisions of Article XXVII of the Land Regulations, by the election of the consular representatives of Denmark, Great Britain and Belgium.

In March a petition was filed by Mr. J. W. Rice on behalf of Constable J. Griffin, claiming compensation and damages in respect of his reduction from the rank of 3rd Class Sergeant to that of 1st Class Constable.

The preliminary correspondence and pleadings together with the judgment of the Court dismissing the case with costs for the Council are appended :—

Shanghai, February 26, 1917.

SIR,—I am instructed by Sergeant J. Griffin, of the Shanghai Municipal Police, to take such steps as may be found necessary to right him in respect of a Board Order dated February 19, 1917, which purports to reduce him from 3rd Class Sergeant to 1st Class Constable.

Your attention is directed to the terms of the Agreement existing between my client and the Council by which his duties are defined to be "the duties of Sergeant in the Police Force or any other duties in that department of an equal or higher class that may from time to time be assigned to him." I am of the opinion that it is clearly in breach of this clause in the Agreement contained that the Council now takes action as embodied in the Board Order mentioned.

My client desires re-instatement to the rank of Sergeant, below which he cannot lawfully be reduced, and I shall be glad if you will place this request before the Council, to whom my client confidently looks for a just response. Awaiting your reply.

I have the honour to be, Sir, your obedient servant,
JOSEPH W. RICE.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, March 2, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of February 26 on the subject of the reduction of Police Sergeant J. Griffin to the rank of 1st Class Constable.

In reply I am directed to call your attention to the fact that whilst the agreement which is a "form" agreement does provide that his duties should be those of "a sergeant in the Police Department or any other duties in that Department of an equal or higher class that may from time to time be assigned to him," the Police Guide and Regulations which are issued to all men joining the Force provide that "Police officers who misconduct themselves . . . render themselves liable to be reduced from their rank or class or to forfeit their claim to promotion." This provision is well understood throughout the Force and is constantly acted upon.

It may further be pointed out that the agreement provides that Sergeant Griffin "hereby agrees to be bound by such instructions and rules as to the duties of employes and conditions of joining and continuing in the Council's service as are in force at the date of this agreement : " Clause 2 of the agreement must be read in conjunction with the rules referred to.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

J. W. RICE, Esq.

PETITION.

1.—The plaintiff is a resident of the International Settlement of Shanghai, and is a British subject.

2.—Heretofore, to wit, on the 24th day of December, 1910, the plaintiff entered the employ of the defendant as a member of the Police Force and by an agreement in writing made on or about the date aforesaid by and between the plaintiff and the defendant, under paragraph 2 thereof, it was agreed as follows :—

"The employee is to undertake the duties of Police Constable or any other duties of an equal or higher rank class that may from time to time be assigned to him.

3.—The plaintiff has remained continuously since December 24, 1910, in the defendant's service as a member of the Shanghai Municipal Police, and was promoted on January 1, 1916, to the rank of sergeant.

4.—By an agreement in writing dated November 29, 1916, and made between plaintiff and defendant, the plaintiff agreed to continue in defendant's service for a further period of three years from December 24, 1916, and by paragraph 2 of the said agreement, it was stipulated as follows :

"The employee shall undertake the duties of Sergeant in the Police Department or any other duties in that department of an equal or higher class that may from time to time be assigned to him."

5.—By said agreement dated November 29, 1916, it was further stipulated in paragraph 6 thereof, as follows :

"The Council shall pay the employee a salary at the rate of not less than Taels One Hundred and Ten (Tls. 110) Shanghai sycee per mensem payable monthly on the last day of each calendar month but under deduction in the case of

every monthly payment of five per cent. thereof being the employee's contribution to the Superannuation Fund under the rules governing the same, which rules together with other instructions rules and conditions are hereinbefore in Paragraph five referred to. The Council shall also provide the employee with medical attendance free of charge."

6.—By an Order dated February 19, 1917, made and issued by the defendant, the defendant has wrongfully reduced the plaintiff as from February 5, 1917, from the rank and class of Third Class Sergeant to the rank and class of 1st Class Constable, and has wrongfully reduced the plaintiff's pay as from February 5, 1917, from Tls. 110 to Tls. ninety-five (Tls. 95) per mensem. The plaintiff avers that said action so done and taken by the defendant as aforesaid constitutes a breach of the agreement existing between the plaintiff and the defendant dated November 29, 1916.

Wherefore the plaintiff prays :—

For an order of court declaring the said contract dated November 29, 1916, between the plaintiff and the defendant to be breached and broken by the defendant and to be dissolved, and ordering the defendant to pay to the plaintiff compensation and damages as follows :

(a) The full amount standing to the credit of the plaintiff's account in the Superannuation Fund including the Council's contributions and interest thereon to day of payment ;

(b) The costs of a Second Class passage to London ;

(c) Loss and damage accruing the plaintiff for loss of employment and breach of contract such as to the Court may seem just and which plaintiff suggests to be as follows :

Lump sum payment of deferred and overdue long leave due to plaintiff	Tls. 900
Salary (Tls. 110) and allowance for Chinese language (Tls. 24) for 12 months	„ 1,608
	Tls. 2,508

(d) For costs of suit ;

(e) For such other further or different relief as to the Court may seem meet in the premises.

ANSWER.

The answer of the defendants to the petition of the plaintiff shows as follows :—

1.—The defendants admit paragraphs 1 to 5 of the petition.

2.—With regard to paragraph 6 of the petition the defendants admit that the plaintiff's rank and pay were reduced as therein alleged, but not that such reduction was wrongful or constituted a breach of the agreement of November 29 referred to in the petition.

3.—By Clause 5 of the said agreement the plaintiff accepted and agreed to be bound by such Instructions, Rules as to duties of employees, and conditions of joining and continuing in the Council's service as were in force at the date thereof. The Instructions, Rules and Conditions in force on the said November 29, 1916, included the following rule, viz:—

"Police Officers, who misconduct themselves or are found to be inattentive or negligent in the performance of their duty render themselves liable to be reduced in rank or class and to forfeit their claim to promotion," and the defendants say that in the months of January and February 1917 the plaintiff was guilty of misconduct, namely :—"Drunkenness," and in consequence of such misconduct was properly reduced in rank and thereupon became entitled to a lower rate of pay than the rate mentioned in the said agreement.

4.—The defendants further say that the plaintiff has continued in their service in the rank of a first class constable from February 19 up to the present time and has accepted the pay of a first class constable as from such date and by such service and acceptance of pay has waived and discharged such obligations (if any) of the said agreement of November 29, 1916, as are inconsistent with the employment of the plaintiff in his present rank and at his present rate of pay.

REPLY.

The reply of the plaintiff to the answer of the defendants hereinbefore filed respectfully shows :—

1.—Replying to Paragraph Three of the said answer the plaintiff says :

(a) Such Instructions, Rules as to duties of employees and Conditions of joining and continuing in the Council's service as conflict with the express stipulations and covenants contained in the written agreement existing between the parties or which derogate from the rights and privileges assured and promised to the plaintiff by the said agreement are void and of no effect : and the plaintiff says that the rule quoted by the defendant in said Paragraph three of its answer does so conflict with and derogate from the covenants and rights stipulated and promised in his said written agreement.

(b) The said rule quoted by the defendant as justifying reduction, provides for reduction in rank or class, but does not provide for reduction in pay.

2.—Replying to Paragraph Four of the said Answer the plaintiff says :

(a) The plaintiff as a British subject is under the discipline and control of the Regulations under Article 155 of "The China and Corea Order in Council, 1904," and Article 3 of "The China and Corea (Amendment) Order in Council, 1909," known as "The King's Regulations," and by paragraph 3 thereof is not at liberty to withdraw himself from the duties of his office or resign his office, unless expressly permitted to do so by the Shanghai Municipal Council.

(b) The defendant is estopped and precluded from alleging a waiver on the part of the plaintiff due to his continuing on in the Police, for the reason that the defendant admits and recognizes that all British subjects in the Shanghai Municipal Police are subject to the King's Regulations aforesaid, and said defendant in practice actively enforces said Regulations by prosecuting those who offend against the same.

(c) Immediately after issuance of defendant's order of February 19, 1917, the plaintiff instructed counsel to take such steps as were or might be necessary to vindicate his rights in respect of the said wrongful order. Counsel was ill in

bed on the exact date of issuance of said order and for three or four days thereafter, but on February 26, 1917, counsel wrote the defendant pointing out the breach of contract involved in said Order and demanding reparation for the plaintiff, the defendant replied in effect refusing counsel's demand; thereupon the plaintiff through his counsel filed his petition herein and neither plaintiff nor his counsel have ever receded from their said position, and plaintiff has never waived or agreed to waive his rights under his agreement of November 19, 1916, and in respect of defendant's wrongful breach thereof;

(d) Further replying, in the alternative, the plaintiff says that he has made no written agreement with the defendant since the agreement of November 29, 1916, that said agreement since February 19, 1917, has been continuously breached in its most material covenants and terms by the defendant, and said agreement is in truth and in fact utterly disregarded by the defendant, and the defendant has failed and refused, and still fails and refuses to carry out its obligations under said agreement; that the plaintiff is at present employed in the Shanghai Municipal Police without an agreement and for no fixed term; and that the present status of the plaintiff is that of an employee in the defendant's service on a monthly hiring only.

WHEREFORE the plaintiff prays as hereinbefore in his petition set out.

JUDGMENT.

The plaintiff entered the employ of the defendants as a Police Constable in December 1910 and renewed his contract in 1913. He was promoted to 3rd Class Sergeant from January 1, 1916, and on November 29, 1916, he signed a fresh three year engagement as Sergeant in the Police to commence on December 24. On February 19, 1917, he was reduced to the rank of 1st Class Constable from the 5th of the same month for gross neglect of duty and drunkenness and his pay was in consequence reduced from Tls. 110 per month to Tls. 95 per month, which is the pay of a 1st Class Constable, under Clause 5 of the Agreement, which states that the Employee accepts and agrees to be bound by such conditions of joining and continuing in the Council's service as were in force at the date of the agreement. The Police guide and regulations which were in force on November 29, 1916, included the following Rule, namely:

"Police Officers who misconduct themselves, render themselves liable to be reduced in rank or class or to forfeit their claim to promotion."

Plaintiff has admitted the charge against him and also that he had been handed and was instructed in the guide and the regulations, but maintains that by the terms of the contract he was engaged as a sergeant and at the minimum pay of a sergeant and that the defendants were not entitled to reduce him to the rank of 1st class Constable and were not entitled to reduce his pay, as this conflicted with the express stipulations and covenants contained in the contract.

The plaintiff's counsel in dealing with the contract maintained that the two sections in it, appointing the plaintiff a sergeant and fixing his salary were of a predominant and absolute character to which the other paragraphs were subordinate and that the latter, therefore, were only valid if and in so far they did not alter or modify the former. Plaintiff's Counsel therefore arrived at the conclusion that the plaintiff could be degraded from a higher class to a lower class sergeant, but, if, as in this case, his position was the lowest class of sergeant, the rule was not applicable and no degradation could take place. No reason why men in the lowest class of their rank should be in this privileged position was offered; nor was it denied that Sections 2 and 5 of the Contract were subject to Section 3, which stipulates that the employee shall devote his entire time to the service of the defendants and shall behave himself soberly, respectfully, and properly, nor that failings in this respect would entitle the Council to terminate the agreement under Clause 8.

The Court considers it quite unwarranted to give preference to one over any other paragraph in the Contract, the contents of which are to be read as a whole, and in that way the Contract offers no difficulty of interpretation. Its meaning is quite clearly to the effect that plaintiff has undertaken certain duties for doing which he is given a certain rank and a certain salary. If he fails to fulfil his obligations the Council can either dismiss him altogether or punish him by degradation, fines, or otherwise as described in detail in the police guide and regulations.

The only peculiarity about Section 5 is that, instead of stating specifically the conditions of joining and continuing, it refers to them *en bloc*, leaving the details of the subject matter of that clause to be found outside that Contract. As, however, those details are to be found in a book of reference which was issued to the Force in 1913 and which the defendant thus had or could and ought to have had three years' acquaintance with, it cannot be admitted that this peculiarity can make any difference. The plaintiff cannot but have been fully aware of what he agreed to and signed and must be bound thereby.

Counsel cited in support, a previous judgment by this Court; but he evidently overlooked that the rules which in that judgment the court refused to give effect to *vis-à-vis* the unconditional undertaking to pay the stipulated monthly salary were, "never signed or otherwise formally accepted by plaintiff" and were rules which the defendants "made and amended without consulting the employee." It is obvious that one party to a contract cannot after the signing of the contract introduce, without consulting the other party, rules, which cancel or modify the stipulations in the contract; but that has not happened in the present case. Plaintiff has formally with his signature declared himself bound by the "Conditions of joining and continuing in the Council's service as are in force at the date of this agreement." With these conditions he had three years' acquaintance and under these conditions he has been degraded to constable for misbehaviour.

The Counsel for plaintiff as a second argument maintained that the police regulations mention reduction in rank or class but not reduction in salary, and that defendants therefore have infringed the contract by reducing plaintiff's salary to that of a 1st Class Constable; in other words that rank should be taken literally and in its most narrow sense. The

consequence would be that, if a sergeant was reduced to the rank of constable, he should still have wages as a sergeant and his duties and rights in general would remain those of a sergeant.

Similar consequences might be drawn in case of promotion which shows that this interpretation is against all reason.

The Court holds that reduction in rank means reduction in position and that rights and duties follow the position in accordance with the rules in force at the time of signing the agreement.

The Court therefore dismisses the suit with costs for the defendants.

D. SIFFERT,

*Consul-General for Belgium and Judge of the Court
of Consuls.*

T. RAASCHOU,

*Consul-General for Denmark and Judge of the Court
of Consuls.*

E. H. FRASER,

*Consul-General for Great Britain and Judge of the Court
of Consuls.*

Shanghai, April 23, 1917.

SETTLEMENT BOUNDARY.

For many years prior to the conclusion of the negotiations between France and China which resulted in the extension of the French Settlement as outlined on page 101B of the Annual Report for 1914, it was recognised that the Great Western and Siccawei Roads would constitute the best line of demarcation between the French and Foreign Settlements, and that, from an administrative point of view, it was desirable that the properties on the French side of these roads should eventually be included in the French Settlement.

Specific provision for the adjustment of these boundary questions was contained in the French Settlement Extension agreement, and in conformity therewith, representations, as appended, were made to the Council by the Consul-General for France, as Chairman of the French Council, in March 1915. The arrangements therein suggested were considered satisfactory, but the Council maintained that the *status quo* should continue until such time as the agreement for the extension of the Foreign Settlement was ratified by the Diplomatic Body in Peking. Thus the matter remained in abeyance until July 1916, when changed conditions made it apparent that the existing state of affairs could not continue indefinitely, and, as a result of conversations between the French Consul-General and the Chairman of Council, the contention of the *status quo* was abandoned and the Waterworks Company was requested to enter into negotiations for the transfer, to the French Water Company, of the supply of water to the properties on the French side of these roads.

Further proposals on the subject, submitted by the French Council in December 1916, received the Council's careful examination in detail, and in March 1917, the Council's decision to give effect thereto, as set forth hereunder, was communicated to the French Council. In notifying its approval, the French Council stipulated *inter alia* that permission be granted to the French Water Company to lay its mains along the Siccawei Road between Route Say Zoong and the limit of the French Settlement Extension, which section of road is Municipal property. This stipulation elicited a strong protest from, and subsequent lengthy correspondence with, the Shanghai Waterworks Company, Ltd., who claimed that, if the Council acquiesced, the Company's agreement with the Council of 1905 would be thereby infringed. The Council on the other hand consistently maintained that there was nothing in the agreement of 1905 which precluded it from denying the existence of a monopoly in favour of the Waterworks Company, or from agreeing to the French Council's stipulation, and ultimately the latter was informed that the requisite permit to lay its mains in this section of the Siccawei Road would be issued to the French Water Company, so soon as a reasonable agreement, as to the transfer of the supply of water to the areas affected, was reached between that Company and the Waterworks Company :—

Translation of a letter from the French Consul-General, March 16, 1915.

SIR,—At the present juncture when the question of the Extension of the Foreign Settlement is on the point of being decided and only awaits the sanction of the Ratepayers of the Foreign Settlement, and the ratification of the Diplomatic Body at Peking, I take the liberty of recalling the conversations which I have had the honour of holding with you concerning the common boundary of the Foreign Settlement and the French Settlement, and the administrative position of the properties situated to the south of the Great Western Road and to the east of the Siccawei Road.

With regard to the Great Western Road and the Siccawei Road I think I should reiterate the following proposals :—

1. The Police will for the future be arranged in common as practised under excellent conditions in the Boulevard Edouard VII.
2. These roads shall be maintained by the two Councils at their common expense.
3. The French Council shall charge itself with the completion of the filling of the Changpang, which will enable the Great Western Road to be of uniform width of 70 feet as recommended by the two Councils.
4. With a view to avoiding prejudice to the residents south of the Great Western Road and east of the Siccawei Road, hitherto supplied with electricity and water by undertakings in the Foreign Settlement, these undertakings shall continue their supply until the French Lighting and Water company is in a position to supply the needs of customers in these districts.
5. An understanding as to the change in question shall be arranged by the Company direct with the supply undertakings in the Foreign Settlement, and in particular, it will make final arrangements with them for the laying of the overhead and underground connexions.

6. As soon as the agreement as to the Extension of the Foreign Settlement is completed, properties situated to the south of the Great Western Road, and to the east of the Siccawei Road, that is to say, in the Extension of the French Settlement, which have hitherto paid taxes to the Municipal Council, shall revert to the ordinary regime of the French Settlement, with respect to taxation.

With an assurance of distinguished consideration.

GASTON KAHN,

Consul-General for France, Chairman of the Council.

Council Room, Shanghai, April 9, 1915.

SIR,—Replying to your letter of March 16 I have the honour to state that all the arrangements therein suggested are in accordance with our previous conversations, and are regarded as satisfactory by the Council. I must, however, add that the Council is not prepared to give effect to these arrangements, nor to make any change in the existing status of the Great Western and Siccawei Roads, until the draft agreement on the subject of the Extension of the Settlement is finally ratified.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman.

G. KAHN, Esq.,

Consul-General for France.

Translation of letter from the French Consul-General, April 9, 1915.

SIR,—I have the honour to acknowledge the receipt and to thank you for your letter of this date, in which you inform me that the Council of the Foreign Settlement has given its approval to the suggestions which I made to you in my letter of March 16, on the subject of the various Administrative questions, relating to the common boundary of the two Settlements along the Great Western and Siccawei Roads.

It remains understood that the *status quo* will be maintained until the ratification of the scheme for extension of the Foreign Settlement at present submitted to the examination of the Diplomatic Body.

I have already commended this scheme to the approval of the Minister for France at Peking. It gives me pleasure to assure you that M. Conty will be happy to hasten the realisation of the proposed extension of the Foreign Settlement according to the means at his disposal.

I am, Sir, your obedient servant,

GASTON KAHN,

Consul-General for France, Chairman of the Council.

E. C. PEARCE, Esq.,

Chairman, Municipal Council.

Translation of letter from the French Council, December 18, 1916.

SIR,—In order to assist in carrying into effect administrative control along the Great Western and Siccawei Roads the French Municipal Council will be glad if the Municipal Council will give its consideration to the question as to whether an arrangement can be made between the two Settlements on the following basis:—

(a.)—The French Electric Light Company to place itself forthwith in communication with the electricity service of the Foreign Settlement to take over gradually the clientele of the International electricity service on property situated in the French Settlement. Messrs. Aldridge and Coursier to determine the method of transfer in such manner that the consumers will not suffer inconvenience, the voltage to be without change. Messrs. Aldridge and Coursier will also arrange for the taking over, if desired, of such secondary mains as may belong to the Municipal Council.

(b.)—In like manner the French Company and the electricity service of the Municipal Council will co-operate as to the placing of the poles which now or in the future may support the large mains, having due regard to the principles adopted by the two Councils on this question in the correspondence between them in March and April 1915.

(c.)—The French Municipality upon completion of this agreement will proceed without delay to complete at its own cost the culverting of the Changpang already undertaken by it in part, and so far as it is concerned, the French Council will arrange for the widening of the Great Western Road to 70 feet.

(d.)—The cost of Public lighting and maintenance of Great Western Road and Siccawei Road shall be at joint cost to the two Municipalities, the Departments concerned will deal with these matters in the manner already obtaining in the case of Avenue Edward VII.

(e.)—Should the transfer of the existing clientele of the Shanghai Waterworks Company not have taken place at the time set out in the correspondence of March 16 and April 9, 1915, this question will be deferred until January 1, 1918, for consideration by the two Councils with a view to its settlement.

(f.)—Until settlement of this last question has been arranged, Municipal Taxes will be levied in the following manner:—

(1) Land Tax.—French Municipal Land Tax of 5/10ths. of 1 per cent. will be levied by the French Municipality on all properties situated in the French Settlement.

(2) House Tax :—

(a) Properties which are served by the Waterworks Company of the Foreign Settlement will pay House Tax to the Foreign Settlement.

(b) Properties which are served by the French Water Service will pay House Tax to the French Settlement.

With a view to enabling the French Municipality to compile its Budget of Public Works for 1917, I shall be obliged if you will let me know as soon as possible the views of the Municipal Council on this subject.

I am, etc.
J. DANTIN,
Secretary.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, March 10, 1917.

SIR,—On December 18, 1916, your predecessor, the late Monsieur J. Dantin, submitted certain proposals by the French Council on the subject of the administration of the Great Western and Siccawei Roads along the boundary between the two Settlements, including the administration of those properties which, though within the French Settlement Extension, are as yet administered by the Council.

These proposals involve a departure from the understanding, which has hitherto subsisted, that the *status quo* on the boundary would be observed until such time as the extension of the Foreign Settlement is an accomplished fact: conditions have, however, changed since this understanding was first recognised and there no longer appears to be any reason for its continuance, I am accordingly directed to inform you that, after examination in detail of the several proposals submitted, and noting the intention of the French Council to culvert the Changpang and to carry out the alignment of the Great Western Road to 70 feet, the Council will give effect thereto as follows :—

1. The maintenance and lighting of the Great Western and Siccawei Roads along the entire length of the boundary will be undertaken at the joint cost of the two Councils, the detailed arrangements in connexion therewith being left for adjustment between the Heads of the Departments concerned and the other competent parties.

2. Policing will be carried out under arrangements similar to those obtaining in the case of the Avenue Edward VII, except as regards the section of the Siccawei Road between the Route de Say Zoong and the limit of the French Settlement Extension: this section is owned by the Council, but as a matter of courtesy the French Police will be permitted to function thereon, in accordance with such arrangements as may be made between the Captain Superintendent and the Chief of the French Police.

3. The arrangements whereby certain properties on these boundary roads and within the French Settlement Extension have been administered and taxed by the Council will cease to be operative.

4. The supply of electricity to these properties by the Municipal Electricity Department will be taken over by the French Electricity Company, the arrangements to this end, including compensation *inter alia* for the removal of poles and cables, being made by the Engineer-in-Chief and Manager in conjunction with the French Company.

5. In those cases where water is supplied to these properties by the Shanghai Waterworks Company, Limited, the transfer of the supply will be a matter for arrangement by the French Council or the French Company with that Company.

6. Private roads serving these properties which have been surrendered or handed over to the Council will be retroceded to their former owners.

In acquiescing in these proposals, I am directed to emphasise that the Council does so on the understanding that the French Council is able to make the necessary arrangements with the concerned for complete connexion with the French Municipal Administration.

In conclusion, I am directed to state that the Council considers that these arrangements may suitably take effect from April 1, 1917, except as to the maintenance and lighting of the Great Western and Siccawei Roads for which July 1, 1917, would be a more suitable date.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

P. LEGENDRE, Esq.,
Acting Secretary, French Municipal Council.

Translation of letter from the French Council, March 20, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of March 10, on the subject of various administrative questions concerning the boundary between the two Settlements along the Great Western and Siccawei Roads.

I am directed to request you to convey to the Municipal Council an expression of the French Council's thanks for the terms of the arrangements which it has submitted and which are approved. It is understood;

(1) That the consumers at present served by the Water and Electricity undertakings in the International Settlement shall continue to be served by these undertakings until such time as the French service replaces them, so that there shall not be any interruption to the prejudice of the public.

(2) That the French service shall be able to place their mains both underground and overhead along the section of the Siccawei Road between the Route de Say Zoong and the limit of the French Settlement at Siccawei.

I am, etc.,
P. LEGENDRE,
Acting Secretary.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Shanghai, April 10, 1917.

SIR,—I am directed to write to you with reference to a statement which appears in the Municipal Gazette of the French Council of March 27 to the effect that the French Council has asked that the Cie Francaise de Tramways et d'Eclairage Electriques de Shanghai be allowed to place its pipes and mains underground along the Siccawei Road between the Route Say Zoong and Siccawei.

I have to draw the Council's attention to the provisions of the Agreement of 1905 and Clause 4 thereof to the effect that the Company is obliged to supply water to every person on roads under the control of the Council in which mains or pipes have been laid, and to the provisions of Clause 7, whereby the Council may require the Company to lay mains in such roads on the terms mentioned.

These obligations of the Company seem to imply very clearly that the Council is not at liberty to grant to others the right of laying mains in the same roads for the purpose of supplying water to houses on those roads; if it were not so, the Council might allow any number of undertakings to lay mains in and supply water to houses on these roads and there would be no consideration for the undertaking of the Company to supply water to consumers residing in these houses.

The Directors of the Company feel sure that the Council will agree with this view, and I am directed to ask for an assurance that rights of this kind have not been, and will not be, granted to any other party.

I am, Sir, your obedient servant,
F. B. PITCAIRN,
*Acting Secretary & Engineer-in-Chief,
Shanghai Waterworks Co., Ltd.*

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, April 25, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of April 10 with reference to the request of the French Council that the Cie. Francaise de Tramways et d'Eclairage Electriques be permitted to lay its water mains along the Siccawei Road, on the boundary between this Settlement and the French Settlement Extension, from the Route de Say Zoong to Siccawei.

Your contention that the Council is precluded, by the provisions of Clauses 4 and 7 of the Company's agreement with the Council of 1905, from granting to others the right of laying mains in roads under the control of the Council for the supply of water to houses thereon, and your protest against compliance with the request of the French Council, have been carefully considered, but the Council is of the opinion that they are untenable.

No sufficient reason has been adduced for refusal of the facilities sought by the French undertaking, whose request made by the French Council will accordingly be approved subject, of course, to such safeguards as may be considered necessary including a stipulation that the mains in question shall not be used for the supply of water to properties within the Foreign Settlement.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

F. B. PITCAIRN, Esq.,
Acting Secretary and Engineer-in-Chief, Shanghai Waterworks Co., Ltd.

Shanghai, April 27, 1917.

SIR,—I am directed to acknowledge receipt of your letter of the 25th instant.

The view that the Council is at liberty to grant to others the right of laying mains in public roads for the supply of water to houses thereon is one that, so far as my Directors are aware, has never been put forward before; moreover, it is completely at variance with previously expressed opinions of the Council.

On October 13, 1902, the Council wrote to the Company as follows:—

"The Council desires to remind the Directors of the two main public sources upon which the Company's present 'satisfactory condition rests, namely, the abundance and readiness of access of the available supply of water, and the free 'privileged monopoly enjoyed in respect of the use of the public streets for its delivery."

At the Ratepayers' Meeting held on March 21, 1905 (page 19), the late Mr. W. V. Drummond stated: " . . . it was proposed that the ratepayers should receive a large amount of free water in return for the benefits they give this 'company in the form of monopoly." This statement would surely have been contradicted if there had been no intention to grant such monopoly.

On January 4, 1912, a letter was published in the Municipal Gazette from the Council to Messrs. Drummond, White-Cooper and Phillips, representing the Chapel Water and Electricity Works, dated December 28, 1911, as follows: "In reply to your letter of December 21, I am directed to remind you that the Shanghai Waterworks Co., Ltd., holds a virtual monopoly of the supply of water in all roads and other lands under the control of the Council within and without the Settlement. For this reason, the Council is unwilling to allow any pipes or mains other than those of the Company to cross the North Szechuen Road."

On October 23, 1911, the Chairman of the Council had written to the Senior Consul on the same subject (*vide* Municipal Gazette, June 13, 1912) as follows: "Inasmuch as the Council has granted the monopoly to the Shanghai Waterworks Co., Ltd., for the supply of water throughout all roads and other lands under the control of the Council within and without the Settlement, the Council is unable to comply with this request."

The matter is, in the opinion of my Directors, a fundamental basis of the Agreement of 1905, and they regret they must protest most emphatically against the proposed action of the Council. They venture to hope, however, that after further consideration, the Council will take a similar view to themselves.

With reference to the last paragraph of your letter, I am directed to point out that the Council has hitherto not invited the Company to state its reasons for refusal of the facilities sought by the French undertaking. In addition to the serious matter of principle involved, there remains the fact that the Company has laid and maintained for many years at low remuneration the considerable length of main in Siccawei Road, with the consequent facilities to the Council in the collection of Municipal Rates.

As regards the proposed stipulation that the mains in question shall not be used for the supply of water to properties within the Foreign Settlement, is it implied that consumers on the West side of Siccawei Road are to have the option of taking their supply from either undertaking? It appears to my Directors, that the Council, if it permits others to lay mains along its roads, would have difficulty in refusing permission to lay pipes across them.

Further the principle which is adopted in the case of the Siccawei Road might be applied to other roads under the control of the Council without the Settlement.

I am, Sir, your obedient servant.

F. B. PITCAIRN,

*Acting Secretary and Engineer-in-Chief,
Shanghai Waterworks Co., Ltd.*

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, May 10, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of April 27 further on the subject of your protest against compliance with the request of the French Council that the Compagnie Francaise de Tramways et d'Eclairage Electriques be permitted to lay a water main along the Siccawei Road, on the boundary of the French Settlement Extension, from Route de Say Zoong to Siccawei.

The attitude which your Company has chosen to adopt on this question is, in the Council's opinion, much to be regretted. The French undertaking has the undoubted right of supplying water to properties within the French Settlement Extension, therefore no prejudice will be suffered by your company as a consequence of the issue of the permit requested. The Council is thus forced to the conclusion that your attitude is entirely due to a hope that, if this very reasonable facility is denied to the French undertaking, its supply of the properties on the French side of the Siccawei Road will be a matter of difficulty or at least of greater expense, with the result that the French Council may be compelled to concede to your company, for a time at least, the right to continue to supply the properties in question.

Whether your company has or has not a monopoly for the supply of water within the Settlement and to properties on roads under the Council's control, is scarcely relevant to the present case, for it has been clearly shown that the main projected by the French undertaking will only be permitted, subject to such safeguards as may be considered by the Council to be necessary, including a stipulation that water shall not be supplied thereby to any properties that are within the Foreign Settlement or its contemplated extension. It is, of course, patent that your company has a virtual monopoly for the supply of water within the limits indicated, in that it is the only water supply undertaking in the Foreign Settlement, but, since you press the point, it may be noted that there is nothing in the Agreement between the Council and your company which would prevent the former, should it be so minded, from granting similar rights to other undertakings. Whether such a course of action is probable or not must be left to your judgement, suffice it to remind you that the Council has only recently substantially increased its already large financial interest in your company.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Acting Secretary.

F. B. PITCAIRN, Esq.,

Acting Secretary and Engineer-in-Chief, Shanghai Waterworks Co., Ltd.

Shanghai, May 15, 1917.

SIR,—I am directed to acknowledge receipt of your letter of the 10th instant with reference to the request of the French Council that the Compagnie Francaise de Tramways et d'Eclairage Electriques be permitted to lay a water main along the Siccawei Road from Route de Say Zoong to Siccawei.

My Directors regret that the Council still disputes the view that this Company has the sole right to lay water mains in the roads under the control of the Council, as recognition of this principle would possibly form a basis for negotiation in

the case of the Siccawei Road. They wish again to draw the Council's particular attention to the correspondence that was published in the Municipal Gazette of January 4, 1912, from which they are convinced that the danger of granting a permit to another undertaking to lay water mains in a road under the control of the Council will be apparent. Moreover if, as is now contended by the Council, this Company has not a monopoly by right, but only in that it is the only water supply undertaking in the Foreign Settlement, such monopoly could hardly have been stated as the reason for refusing the permit in the case then in point.

My Directors cannot for a moment admit that there is nothing in the Agreement between the Council and the Company which would prevent the former granting similar rights to other undertakings; notwithstanding the absence of express words to that effect, it seems to them that the whole Agreement necessarily implies an undertaking on the part of the Council not to give similar rights to others. The matter is one of such immense importance to the Company that it cannot well agree to anything which would suggest an admission on its part to the contrary.

The conclusion arrived at by the Council that my Directors desire to be obstructive is erroneous, although the course which the Council desires to adopt will result in a loss of revenue to the Company without any corresponding advantage and their protest might for that reason be justifiable on business principles alone.

Were that the only issue at stake, my Directors are of opinion that there would be no insurmountable difficulty in making an arrangement satisfactory to all parties. As trustees for the shareholders, however, they feel called upon to resist the serious encroachment on what they consider to be the Company's rights, which would be involved in the proposed action of the Council. Acquiescence in the principle enunciated in the Council's letter under reply might entail consequences which my Directors venture to think the Council still does not realise.

I am, Sir, your obedient servant,

F. B. PITCAIRN,

*Acting Secretary and Engineer-in-Chief,
Shanghai Waterworks Co., Ltd.*

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, May 29, 1917.

SIR,—I am directed to acknowledge the receipt of the Acting Secretary and Engineer-in-Chief's letter of May 15, further on the subject of the French Council's request that the Compagnie Française de Tramways et d'Éclairage Électriques be permitted to lay a water main along the Siccawei Road between Route de Say Zoong and Siccawei.

In reply I am directed to assure you that, should circumstances again arise similar to those which formed the subject matter of the correspondence published in the Municipal Gazette of January 4, 1912, to which you refer, the attitude of the present Council would undoubtedly be the same for, acting in the Public Interest, it would naturally desire to protect an important public utility company from unfair attack. In the present instance the circumstances are totally different: the French undertaking has the undoubted right of supplying water to properties within the French Settlement Extension and the main projected will only supply those properties.

The reluctance of your Directors to admit that there is nothing in the agreement between the Council and your Company, which would prevent the former granting similar rights to those held by your company to other undertakings, is perhaps natural, but I am to remind you that no such admission has been sought or is in fact desired by the Council. The question whether your company has or has not a monopoly seemed scarcely relevant to the present case, but since you pressed it, the Council felt called upon to answer you.

The Council is indeed glad to learn that it is in error in concluding that your Company desired to take up an attitude of obstruction over this matter.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Acting Secretary.

A. P. WOOD, Esq.,

Secretary and Engineer-in-Chief, Shanghai Waterworks Co., Ltd.

Shanghai, July 20, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of May 29 dealing further with the subject of the French Council's request that the Compagnie Française de Tramways et d'Éclairage Électriques de Shanghai be permitted to lay a water main on the Siccawei Road from Route de Say Zoong to Siccawei.

My Directors have given this matter very careful consideration, and are prepared to withdraw their objection to the grant of the permit to the French Company (subject to some arrangement being made with regard to existing consumers which I mention below) if the Council will give an unqualified admission that it is not at liberty to give to others any licence, permit or right to lay water mains in any road under the control of the Council, for the purpose of supplying water to houses on those roads, without the consent of the Company.

If the Council is prepared to give the admission asked for, the Company will consent to the laying of pipes and mains along the Siccawei Road as desired in the present case, in consideration of an annual payment by the Council of one Tael, and without making any further claim for compensation, provided only that some arrangement is effected to protect the Company from any claim by existing consumers that the Company has committed a breach of existing contracts. As the Council is aware, the Company has entered into contracts with several consumers on the Siccawei Road for the supply of water, and no

event has arisen which entitles the Company to determine such contracts. If in consequence of the Company's consent the French undertaking should be enabled to supply water to these houses and if thereafter proceedings should be taken against either the Company or the consumers to put a stop to the present supply to such consumers, the latter might make claims against the Company; it is only reasonable that some arrangement should be made to prevent such a possibility or to indemnify the Company against any loss it might sustain in this manner. A general indemnity from the Council in respect of such claims would be quite satisfactory to the Company, and as the Directors are not aware of negotiations (if any) between the Council and the consumers in question, they are at present unable to suggest any other satisfactory arrangement to meet this difficulty.

I am, Sir, your obedient servant,
A. P. WOOD,
Secretary and Engineer-in-Chief,
Shanghai Waterworks Co., Ltd.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, August 10, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of July 20 further on the subject of the request made by the French Council that the Compagnie Française de Tramways et d'Éclairage Électriques should be permitted to lay a water main along the Siccawei Road between Route de Say Zoong and the limits of the French Settlement Extension.

Whether your company has or has not the monopoly, to which you lay claim, is, as was observed in the Council's letter of May 29, somewhat irrelevant to the present case, for, even if it was admitted that your company has anything more than a virtual monopoly, it would surely be absurd to contend that such monopoly could possibly extend to the supply of water to properties which are within the administrative area of another Authority, which alone is competent to grant any monopoly within such area.

That the admission you seek on this question of a monopoly cannot be given is clearly shown in the correspondence that has already passed and this was emphasised at the several interviews, which I have had with you and another representative of your Company: to press this point still further can, therefore, serve no useful purpose: indeed, had it been thought that such was your intention, the Council would not have consented to defer reply to the French Council's request for so long a period. The only object of such deferment was to enable you to submit a statement of compensation to which your Company considers itself entitled, so that the Council might give such assistance as might be reasonable in obtaining recognition of your claim thereto, although in reality this is a matter which only concerns your Company and the French undertaking.

As to an indemnity against claims upon your company by existing consumers, it may be observed that this is a matter for arrangement between your Company and the French undertaking, though it is difficult to understand how such claims could be upheld, inasmuch as the cessation of supply by your Company would presumably be under direction of the competent Authority charged with the administration of the area within which such consumers reside.

As the Council is of opinion that further correspondence upon this subject will lead to no useful result, I am directed to inform you that reply will be made to the French Council referring to the stipulation contained in the Council's letter to the French Council of March 10 "In those cases where water is supplied to these properties by the Shanghai Waterworks Co., Ltd., the transfer of the supply will be a matter for arrangement by the French Council or the French Company with that Company" and stating that, so soon as a reasonable agreement has been reached between your Company and the French Council or the French undertaking, the Council will readily grant the permit requested.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. P. WOOD, Esq.,
Secretary and Engineer-in-Chief, Shanghai Waterworks Co., Ltd.

Council Room, Shanghai, August 16, 1917.

SIR,—I am directed to refer to the French Council's letter of March 20 with reference to the administration of the Great Western and Siccawei Roads and the properties on the French side thereof along the boundary between the two Settlements.

It is noted that the proposals contained in the Council's letter of March 10 meet with approval subject to the stipulations (1) that the supply of electricity and water from this side to consumers on the French side of the boundary be continued until the French undertaking is in a position to take over these supplies, and (2) that the French undertaking be permitted to lay its underground and overhead mains and cables along the Siccawei Road between Route de Say Zoong and the limit of the French Settlement Extension.

As to the first, I am directed to inform you that the supply of electricity will be continued and doubtless also that of water, although in regard to the latter, no guarantee can be given by the Council, as the Waterworks Co. is not a Municipal undertaking.

As to the second there appears to be some difficulty in the case of electric cables, for the Electricity Department's poles already occupy the side of the road nearest to French territory whilst the Telephone Company's poles occupy the other

side: if, however, the difficulty is one which can be overcome by the Engineer to the French undertaking in conference with Mr. Aldridge of the Electricity Department, the Council will, as a matter of courtesy, gladly give the permit requested. As regards water mains, the Council is also prepared to give a like permit when a reasonable agreement has been reached between the Waterworks Co. and the French undertaking in accordance with the reservation set forth in the Council's letter of March 10 "in those cases where water is supplied to these properties by the Shanghai Waterworks Co., Ltd., the transfer of the supply will be a matter for arrangement by the French Council or the French Company with that Company." The permit will, of course, be issued subject to compliance with the requirements of the Public Works Department and to payment by the French undertaking of the cost of reinstating trenches, etc.

In conclusion an apology is due for the delay in making reply to the French Council's letter of March 20, but, in explanation, it may be stated that the publication in the "Bulletin Municipal" of March 27 of the Council's letter of March 10, and of the French Council's decision thereon was immediately followed by a protest and subsequent lengthy correspondence with the Shanghai Waterworks Co., Ltd., which has rendered an earlier reply impossible.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

G. LAFERRIERE, Esq.,
Secretary, French Municipal Council.

Shanghai, September 13, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of August 10 dealing further with the French Council's request for a permit to lay water mains in the Siccawei Road.

With reference to the second paragraph thereof, I am to emphasize that the Company has never claimed the exclusive right to supply water to properties within the French Concession, but that it does claim the exclusive right to lay mains in roads within the area of the Council's administrative authority for the supply of water to any properties. The objection has never been to the French undertaking supplying the houses in question, but to the granting of a licence to such undertaking to lay pipes in one of the Council's roads for that purpose. In order to make the matter clear beyond any doubt, I am to point out that when the Company's mains were laid in the Siccawei Road, the French Concession did not extend so far and to repeat that by its agreement the Company is bound, if called upon to do so, to lay mains in the Council's roads and to supply water to consumers in the houses on those roads.

My Directors observe that the Council is not prepared to give the admission asked for; and they do not desire to insist on a strict enforcement of the Company's rights in the present instance; the simplest solution, therefore, might seem to be an agreement (without prejudice to the rights of either party) to leave the question of monopoly for determination at some future time. The existence, however, of certain contracts which the Company has made—and was bound to make—with consumers renders it impossible for the Company to make such an agreement.

In view of such contracts and of the possibility of claims thereunder, to which I have already referred, I have to give you notice of the Company's formal protest against the permit which the Council apparently proposes to grant. My Directors cannot agree that the matter is one for arrangement with the French undertaking; the Company's contracts are with the individual consumers, and therefore in the absence of any indemnity, they cannot voluntarily enter into any arrangement to which those consumers may be opposed.

I am directed once again to repeat that the Company's attitude is not one of obstruction; the Directors are anxious to assist, but their first consideration must be the protection of the Company's interests and therefore its obligations undertaken towards consumers.

I am, Sir, your obedient servant,
A. P. WOOD,
*Secretary & Engineer-in-Chief,
Shanghai Waterworks Co., Ltd.*

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, October 4, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of September 13 further on the subject of the request by the French Council that the Compagnie Francaise de Tramways et d'Eclairage Electriques should be permitted to lay a water main on the Siccawei Road between the Route de Say Zoong and the limits of the French Settlement Extension.

The Council has in a previous letter expressed the opinion that further correspondence upon this subject will lead to no useful result, but since your letter might give rise to some misunderstanding should the Council's views on the contentions therein contained not be placed on record, reply seems to the Council to be desirable.

As to your claim to "the exclusive right to lay mains in roads within the area of the Council's administrative authority for the supply of water to any properties," it may be observed that the Agreement of 1905 does not contain any provision upon which any claim to an exclusive right to lay mains can be based. Even if it could be contended that any monopoly is conferred by such agreement, it surely could not be a monopoly to lay mains but to supply water, and since any such monopoly could not extend to an area, which is not within the Council's administrative authority, it certainly cannot extend to debar the laying of mains, even in the Council's roads, if with the Council's permission, for the supply of water within such area.

As to your obligations to supply water to residents within the administrative area of the French Council, these must, it seems, come to an end, so soon as the French Council requests you to desist from such supply : moreover, so far as the Agreement of 1905 is concerned, it may be noted that Clause 4 expressly provides that your Company shall not deliver water to any resident outside the Settlement, except during such time as he shall remain bound by agreement with the Council to pay the extra-Settlement taxation. Residents on the French side of the Great Western and Sicauei Roads are no longer bound to pay this tax and accordingly your Company is no longer bound by the Agreement of 1905 to continue the supply of water to such residents. It may be true that under separate agreement your Company has bound itself in terms which are not covered by the Agreement of 1905, but even so, as the cesser of supply by your Company will presumably be under direction of the competent authority charged with the administration of the area within which the consumers in question reside, your Company will, it seems to the Council, be released from the terms of any such agreement.

Except for the fact that the Council has a large financial interest in your Company, it matters not to it whether your Company or the French undertaking supply the consumers in question, and should you be able to make arrangements with the latter, with the approval of the French Council, to continue such supply, the Council would raise no objection, but in that case the extra-Settlement tax will not be payable by such consumers.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. P. WOOD, Esq.,
Secretary and Engineer-in-Chief, Shanghai Waterworks Co. Ltd.

TRAMWAYS.

Railless Cars.—Correspondence with the Company on the subject of the further development of this system of electric traction :—

Shanghai, March 12, 1917.

Sir,—At the suggestion of Mr. Aldridge, who wished to obtain an idea of the probable development of electric traction so that arrangements for supply of traction current, through sub-stations, and for underground feeder cables in connexion therewith, could be planned in the light of future requirements, I drew up a scheme of development which has met with the approval of the Company's Directors. The Directors, recognizing that there would be little use in basing calculations upon any proposals which had not been submitted to and sanctioned by the Municipal Council, instructed me to forward to you, for consideration by the Council, the enclosed map, in triplicate, showing proposed extensions, of railless electric traction (passenger service). These extensions comprise 8.18 miles of street, within the Settlement, as per accompanying statement, and also 1.66 miles of street outside the Settlement. For the latter the Company would endeavour subsequently to make arrangements if the main scheme were approved by the Council.

Whilst it is important to have a definite and approved scheme of development in view, the present time, owing to the conditions created by the war, is, of course, unsuitable for carrying the scheme into effect. The Council's sanction therefore, would only be made use of if and when conditions became suitable; and the Company would advise the Council when it is prepared to proceed with any approved extension so that the estimated cost of relaying the road could be made out and the amount of the Company's contribution of one-half agreed.

The success of the Company's railless system, from all points of view, has demonstrated its remarkable suitability for the streets for which the extensions are proposed.

The present length of route under electric traction is extremely small for the size and population of the Settlement; there are only about 2½ miles per 100,000 of population as compared with nearly 10 miles in cities in the United Kingdom and a great deal more in American cities. Undoubtedly the carrying out of the proposed extensions would greatly improve the traffic conditions of the streets.

The Directors have also approved my communicating to the Council the Company's desire to experiment, with the Council's approval, with two or three railless electric freight cars, with the view of obtaining the necessary data to plan a complete railless freight service, and to submit to the Council (in response to an inquiry by the Municipal Engineer) a tender for the conveyance of road materials. Plans of these proposed vehicles will be submitted to the Council in due course. It is believed that such a freight service would be cheaper, more expeditious and more satisfactory in many ways than the present antiquated vehicles and would materially lessen street traffic congestion.

On receipt of the Council's reply, I shall be in a position to confer with Mr. Aldridge.

I am, Sir, your obedient servant,

D. McCOLL,

General Manager.

N. O. LIDDELL, Esq.,

Assistant Secretary, Municipal Council.

SHANGHAI TRAMWAYS.

(Foreign Settlement)

RAILLESS ELECTRIC TRACTION, LIST OF PROPOSED EXTENSIONS WITHIN THE SETTLEMENT.

Street	From	To	Approx. Length Miles
Cunningham Road	Boundary Road	Elgin Road	0.13
Elgin Road	Cunningham Road	North Honan Road	0.24
North Honan Road	Boundary Road	N. Honan Road Bridge	0.58
North Thibet Road	Haining Road	North Soochow Road	0.33
North Soochow Road	North Thibet Road	North Chekiang Road	0.28
Soochow Road	Chekiang Road	Fokien Road	0.14
do.	Szechuen Road	The Bund	0.28
Thibet Road	Soochow Road	Avenue Edward VII	0.87
Singkeipang Road	East Yuhang Road	Hanbury Road	0.04
Hanbury Road	Singkeipang Road	Boone Road	0.58
Woosung Road	Boone Road	North Soochow Road	0.28
Foochow Road	Szechuen Road	Yunnan Road	0.71
Yunnan Road	Foochow Road	Canton Road	0.09
Canton Road	Yunnan Road	Thibet Road	0.06
Cemetery Road	Thibet Road	Yalu Road	0.14
Taku Road	Cemetery Road	Chungking Road	0.45
Chungking Road	Taku Road	Great Western Road	0.16
Peking Road	Thibet Road	Fokien Road	0.32
Szechuen Road	Soochow Road	Avenue Edward VII	1.00
Boone Road	Broadway	Cunningham Road	1.13
Haining Road	Cunningham Road	North Thibet Road	0.37
Total			8.18

Council Room, Shanghai, July 27, 1917.

SIR,—In reply to your letter of March 12, detailing a comprehensive scheme of development of the electric railless car system, involving provision of a system of underground feeder cables, etc., embracing the whole of the Settlement, I am directed to state that, since it is understood that the Company has no intention at the present time of carrying out any part of the projected extensions, the Council is of opinion that it is unnecessary and undesirable at the present time to come to a decision on the subject.

In adopting this view, the Council has given due weight to the suggestion that approval of the present scheme might be of assistance to the Company in formulating certain plans as to future development, but it is considered that any such advantage is entirely outweighed by the obvious undesirability of binding the Council now to the approval of a scheme, which in any event could not be carried fully into effect for many years, by which time, changing circumstances may conceivably bring about entirely different conditions.

I am directed, therefore, to inform you that at the present time the Council is unwilling to entertain your proposal.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

D. McCOLL, Esq.,
General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, July 31, 1917.

SIR,—With reference to your letter dated July 27, I am directed to point out that the assumption contained therein that the scheme "could not be carried fully into effect for many years" is not in accordance with the Company's anticipations. The Company expected that, to any sanction which the Council might give to the Company's Railless proposals would be attached a proviso limiting the period in which the powers could be exercised. The Company ventures to suggest a period of four years for this purpose. It is thought that the Council will agree as to the desirability of planning ahead for at least that short period: on most of the roads embraced in the application it is believed that conditions, if they change at all in that time, are likely to do so in the direction of rendering still more apparent the real need which exists for a system of traction such as that proposed. If the Council, however, disapproves of certain portions of the proposed routes, the Local Board would be glad to be advised of these so that modification of the complete scheme might be considered.

The Company is anxious to have a scheme of development agreed with the Council this year, in order to permit of plans being determined and certain arrangements made, not only electrically but in other ways. The Local Board trusts, therefore, that the matter will receive the consideration of the Council after the recess.

At the beginning of each year the Company would advise the Council of any of the approved extensions proposed to be carried out during the year.

I am, Sir, your obedient servant,
D. McCOLL,
General Manager, Shanghai Electric Construction Co., Ltd.

E. S. B. ROWE, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, September 8, 1917.

SIR,—In reply to your letter of July 31, with further reference to the proposed scheme of development of the system of railless electric traction, I am directed to state that owing to the narrowness of and traffic conditions in most of the roads affected by the proposal, the Council is of opinion that development of the railless electric traction service in the manner suggested is not in the best interest of the Public.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

D. McCOLL, Esq.,
General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, October 8, 1917.

SIR,—Since receipt of your letter dated 8th ultimo, intimating the opinion of the Council that the Company's scheme of railless extensions, "owing to the narrowness of and traffic conditions in most of the roads affected by the proposal . . . is not in the best interest of the public," the whole question has been exhaustively reviewed by the Company. The Directors contrast the above-mentioned opinion with the following statements:—

(1) By the Chairman of Council (at the 1916 Annual Meeting of Ratepayers).

" . . . the system (railless) has been working continuously ever since. This form of traction seems to have proved a success; it is safe and free from noise and I think it is popular. . . . We confidently assume your assent to this and such further reasonable developments of the system, as a feature of the Tramway Concession as the Council may think fit to approve from time to time." This indication of the Council's future policy regarding Railless Extensions was received without any dissent.

(2) By the Captain Superintendent of Police in his Report for 1916.

"This route is well patronised and the extension is justified." The reference is to the railless extension in parts of Peking and Honan Roads. (The part in Honan Road is only 22 ft. to 23 ft. wide, appreciably narrower than the average of the extensions embraced in the Company's present proposals.)

As your letter under reply appears to differ from these statements, the Board finds it difficult to accept it as fully reflecting the settled views of the Council, and I am directed to ask if fuller information as to the Council's reasons for thinking that the proposed extensions would not be "in the best interest of the public" can be given. If the Council prefers it, consideration of the matter might be deputed to a sub-committee, with which, if desired, the Company's representatives would be glad to have a conference. A full statement has been prepared of the Company's case in favour of the proposed extensions, and it is thought this might be useful for such a sub-committee.

I am desired to add that only the necessity of planning, in pursuance of the agreement entered into in 1914 between the Council and the Company, a system of underground feeder cables and substations, and of having as definite an idea as possible of the development for which provision should be made in these cables and substations, so that they could be devised to suit both present and future conditions, caused the Company to submit its application under existing circumstances. It is learned from the Deputy Electrical Engineer that the first substation to be brought into use and the cables radiating from it would be more affected than any others by the extensions which have been proposed. As the Electricity Department would have to provide the substations' plant, it is interested, like the Company, in obtaining, as far as possible data upon which to base its calculations.

Apart from electrical, there are other preparations by the Company which would be greatly facilitated and expedited by, at least, an indication of the extensions for which the Council's definite sanction might be obtained when, with the return of more normal conditions, the Company would be in a position to apply for specific permits for the carrying out of the extensions, in whole or in part.

I am, Sir, your obedient servant,

D. MCCOLL,
General Manager,

Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, December 7, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of October 8 further on the subject of the comprehensive scheme of railless electric traction development submitted with your letter to the Council of March 12.

In reply I am directed to state that the Council shares the view expressed by the Chairman at the Annual Meeting of Ratepayers in 1916 that railless electric traction seems to have proved a success, and to inform you further that the assent of the Ratepayers to such further reasonable development of the system as the Council may think fit to approve from time to time is still confidently assumed. That the Council did not think fit to approve the comprehensive scheme submitted by you, was the meaning intended—and, it is submitted, made clear—by the Council's letter of September 8.

The scheme was submitted to the Council as a comprehensive one and disapproved as such. That certain of the extensions covered thereby might receive approval is possible, but the Council considered and still considers it unnecessary and undesirable to enter into any detailed consideration of any particular extension, until such time as your Company is in a position not only to seek the Council's approval of, but actually to carry out, such extension if approved. When that time arrives the Council is prepared to give the matter its closest consideration, weighing the advantages and disadvantages and indicating such amendments as may in its opinion be necessary or desirable; until then its view is that no good purpose would be served by further argument or by reference of the matter, as suggested by you, to a sub-committee.

Conditions may undergo a radical change, and an extension that may now be indicated as desirable might, in the light of altered conditions, prove undesirable or less desirable than some alternative extension. The Council's view moreover is that the most satisfactory form of extension of the railless system is the provision of frequent and rapid communication between densely populated districts and those thinly populated, rather than intensive development of already congested areas.

The Council will be glad to receive the full statement of your Company's case in favour of the scheme proposed, so that it may receive consideration, when your Company is in a position to carry out any particular extension for which the Council's approval is sought.

I am, Sir, your obedient servant,

N. O. LIDDELL,
Acting Secretary.

D. MCCOLL, Esq.,
General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, January 7, 1918.

SIR,—With reference to your letter dated 7th ultimo, the Local Board is glad to note that the Council shares the favourable view expressed by the Chairman at the Annual Meeting of Ratepayers in 1916.

In response to your request for the full statement of the Company's case in favour of the proposed extensions, I am directed to send you, herewith, eighteen printed copies. From this statement it will be observed that, additional to the extensions proposed in the Company's letter of March 12, 1917, there are the following:—

A Railless route from Yu Yuen Mill along Markham Road to Sinza Road, then using the Tramway line along Sinza Road to Thibet Road, then Railless again along Peking Road to the Bund, to be prolonged, if thought desirable, as a two-way service along Broadway to Wayside Road.

A Railless extension along Jessfield Road to the Park if the Council wishes it.

A Tramway extension to the gate of the Hongkew Recreation Ground.

These additions had been embodied in the draft of the statement and also the substitution of Kiangse Road for Szechuen Road, some time before receipt of your letter under reply. The substitution referred to was made because it was

understood that special objections had been raised against railless passenger cars in Szechuen Road, and Kiangse Road provided a suitable alternative.

With regard to the view expressed in your letter that "the most satisfactory form of extension of the railless system is the provision of frequent and rapid communication between densely populated districts and those thinly populated, rather than intensive development of already congested areas," I am directed to state the Company agrees therewith and that the scheme proposed by the Company is really based on that principle. That this is so is shown by the following:—

- (1) In my letter dated March 12, 1917, it was explained that extensions outside the Settlement were also contemplated as part of the scheme. These, if sanctioned by the Chinese Authorities, would carry out the principle in a *Northerly* direction from the busy Central area.
- (2) Access southwards from the Central area is only possible across Avenue Edward VII into the French Settlement. The Local Board will be glad to learn whether the Council has any objection to the Company making proposals—which it would gladly do—to the French Company for through Railless services between the two Settlements via Thibet, Fokien and Kiangse Roads.
- (3) East and West, there is the proposed Railless route from the east end of East Hanbury Road via Woosung, Soochow, Kiangse, Foochow, Taku and Chungking Roads to Great Western Road. There are also the Markham Road and Jessfield Park extensions.
- (4) The Markham Road—Sinza Road—Peking Road route, if prolonged along Broadway, might be extended, later say along Ward Road and the natural development from Markham Road would be along Gordon Road to the Soochow Creek. It is thought, however, that extensions of this kind, on roads of such very light traffic that they could only be operated at a loss, should be confined to the Jessfield line pending the successful development of the main scheme as embodied in the printed statement.

It is to be noted that no possible outlying extensions can affect the desirability of the proposed extensions through the Central area which are needed to assist against undue traffic congestion and to provide further facilities between that area and the areas beyond.

It is observed that, although in your letter under reply, you ask for the full statement of the Company's case in favour of the scheme, you add "so that it may receive consideration when the Company is in a position to carry out any particular extension for which the Council's approval is sought." If, however, consideration is deferred until the Company is able "actually to carry out" the extensions, there would be bound to be much more delay than if the whole scheme is considered now. It is already nearly a year since the Company's proposals have been submitted. It is suggested that the present time, when development is necessarily deferred owing to the War, is the natural one in which to consider thoroughly plans for future extensions.

I am directed to draw particular attention to page 10 of the printed statement where the reasons are explained why the Company asks consideration of its scheme of extensions at this time, despite conditions not being favourable for carrying them out. As will be seen from the quotations from letters of Mr. Aldridge and Mr. Blagden to me, they desire, for electrical reasons, that an idea of future extensions should be obtained; the Company shares that view for electrical as well as for other reasons. What was then, however, a prudent proposal is now, owing to the high price of coal and the much greater coal consumption per unit of the Fearon Road plant than the Riverside plant, an urgent question of economy. As the printed statement shows, the saving in coal if all the Traction current were generated at Riverside Station instead of Fearon Road Station would amount to about Tls. 35,000 per annum. On this account, the Company is impelled to request early consideration of the matter, in the light of the agreement between the Council and the Company dated July 13, 1914. That agreement precluded the Company from requesting the provision of additional traction plant at Fearon Road Station by specifying Riverside Station not only as the source of all additional supply, but also as the source of future supply for the whole of the present traction load. If, owing to the Council's refusal to take the required action, the Company is unable to run mileage which it would otherwise run, the Council would appear to be liable, under Clause 13 of the Power Agreement, to compensate the Company for lost mileage.

This correspondence has extended over nine months with no result, and the Local Board has only, with the greatest reluctance, directed me to write thus plainly and to emphasise the imprudence of attempting to design a system of underground feeder cables and substations without prior consideration by the Council of the Company's carefully planned proposals for extensions which represent an addition of about 60 per cent. to the present length of route. If the Council wishes to make the proviso that, when application comes to be made by the Company for permits to carry out any particular extension or extensions in the scheme now submitted, the issue thereof will be subject to conditions still being, in the opinion of the Council, suitable for such extension or extensions, the Company will be pleased to acquiesce, feeling confident that, in reckoning on extensions which the Council may consider suitable, under present conditions, it would be making provision for future requirements much more nearly than if it based its calculations only on the present length of route. The Electricity Department and the Company would be afforded some basis to work upon; the Council would have nothing to lose.

It is certain that, when conditions are suitable for the Company to finance the considerable outlay involved in carrying out the extensions, they will be suitable for the Council to finance its very much smaller outlay, viz., half the cost of the necessary road work. This point is mentioned because it is understood to have been raised verbally as an objection to consideration of the scheme at this time.

I am, Sir, your obedient servant,

D. McCOLL,

General Manager,

Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, January 24, 1918.

SIR,—I am directed to acknowledge the receipt of your letter of January 7, with further reference to extension of the railless car system, and in reply thereto, I am directed to state that the Council is unable to depart from the position already indicated to you with regard to this matter, i.e., that the comprehensive scheme of development proposed cannot be approved as such, but that certain of the extensions covered thereby might be favourably considered, subject to ratification by the Ratepayers, but that it is undesirable to enter into any detailed consideration of any particular extension until the Company is actually in a position to begin work at once and to carry it to completion within a reasonable time.

If, therefore, the Company will indicate to the Council one or two of its proposed extensions, eliminating, however, all further crossings of the Nanking Road, except perhaps at the Thibet Road crossing, the Council will give such extensions very careful consideration, provided that the application for their approval is accompanied by a definite undertaking as to the time in which such extensions would be carried out.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Return of Services.—The following is a return, supplied by the Tramway Company, showing the Maximum Number of Cars in service in the Foreign Settlement each week during the year 1917.

Week Ending		Motors	Trailers	Railless	Total
January	1/3 (3 days)	69	59	6	134
"	10	71	58	6	135
"	17	71	58	6	135
"	24	71	59	6	136
"	31	70	58	6	134
February	7	70	58	6	134
"	14	71	60	6	137
"	21	71	61	6	138
"	28	70	62	6	138
March	7	71	62	6	139
"	14	71	62	6	139
"	21	72	62	6	140
"	28	72	62	6	140
April	4	72	61	6	139
"	11	71	61	6	138
"	18	71	62	6	139
"	25	71	63	6	140
May	2	72	65	6	143
"	9	71	60	6	137
"	16	71	60	6	137
"	23	75	59	6	140
"	30	75	60	6	141
June	6	75	60	6	141
"	13	75	60	6	141
"	20	75	60	6	141
"	27	75	60	6	141
July	4	75	61	6	142
"	11	75	61	6	142
"	18	75	61	6	142
"	25	75	59	6	140
August	1	75	58	6	139
"	8	72	59	6	137
"	15	74	60	6	140
"	22	74	60	6	140
"	29	74	60	6	140
September	5	72	60	6	138
"	12	72	60	6	138
"	19	72	60	6	138
"	26	73	60	6	139
October	3	73	59	6	138
"	10	73	60	6	139
"	17	76	62	6	144
"	24	73	61	6	140
"	31	72	61	6	139
November	7	72	61	6	139
"	14	73	62	6	141
"	21	73	62	6	141
"	28	74	62	6	142
December	5	74	61	6	141
"	12	74	61	6	141
"	19	73	61	6	140
"	26	71	59	6	136
"	27/31 (4 days)	71	59	6	136

The above statement excludes special days of abnormal traffic.

Track Maintenance.—Subject to the confirmation of the Ratepayers, arrangements for the maintenance of the tram-track have been concluded with the Company in terms of the following correspondence :—

Council Room, Shanghai, December 7, 1916.

SIR,—With reference to the arrangement with your Company whereby the macadam surfaces of the tram track are maintained by the Council, at the Company's expense, I am directed to inform you that the estimated cost of this maintenance during the year ending December 31, 1917, amounts to Tls 10,000, and to inform you that during such period and until further notice the Council will be under the necessity of charging the Company at this rate. I shall be glad to hear from you whether you wish the existing arrangement to continue on these terms.

I am, Sir, your obedient servant,

J. B. MACKINNON,

Acting Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, December 11, 1916.

SIR,—With reference to your letter dated 7th instant, I am directed to state that the Company is not liable for "the estimated cost of this maintenance" as indicated in your letter, because the Council has introduced, on certain parts of the track, costly tar paving in place of ordinary macadam and the Company is only responsible for the maintenance of the latter in accordance with the Concession Agreement. The principle that the Company is not responsible for the maintenance of a more expensive form of paving than that indicated in the Concession Agreement has been recognized by the Council in the arrangement under which the Council effects, for the Company, reinstatements of tar macadam, after track openings, at a price based on the cost of reinstatement of ordinary macadam.

It does not appear that the rates of wages of the employees engaged on road maintenance work have been increased and it is believed that there has been no appreciable change in the price of stone used for macadam repairs.

In view of the foregoing circumstances, the Local Board is unable to understand the Council's request for an increase in the Company's contribution for road maintenance from Taels 6,422 to Taels 10,000 per annum, equal to 56 per cent., and would be glad to have information as to the reasons for the Council's request.

I am, Sir, your obedient servant,

D. McCOLL,

General Manager,

Shanghai Electric Construction Co., Ltd.

J. B. MACKINNON, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, December 15, 1916.

SIR,—In reply to your letter of December 11 the estimate given in my letter of December 7 is in respect solely of the actual cost of repairs of ordinary macadam and excludes any additional cost incurred by laying tar macadam.

The cost of upkeep of macadamised surfaces has increased considerably in recent years and should you so desire, the Council is quite willing that you should undertake the work yourselves at the end of the current year.

I am, Sir, your obedient servant,

J. B. MACKINNON,

Acting Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, January 12, 1917.

SIR,—I have to acknowledge your letter dated December 15, in which you state that the cost of upkeep of macadamised surfaces has increased considerably in recent years.

As rates of wages and prices of materials for ordinary macadam have not appreciably increased, it appears to follow that the increase of 56 per cent. in the contribution requested of the Tramway Company is mainly due to the greater use of the tracks by other vehicles or to the maintenance of a higher standard for the benefit of such other vehicles, or to both of these causes.

With regard to the suggestion that the Company should itself execute the repairs, it must be remembered that some miles of the track have already been laid in tar macadam, and it is understood to be the Council's policy to extend this form of paving. The Tramway Company, of course, is not prepared to execute the repairs except in ordinary macadam, but the advantage of tar macadam from a public point of view is fully appreciated, and it would seem a pity to make an arrangement which would involve the permanent retention of ordinary macadam merely because the Company's obligation is limited to that form of surface. On the other hand, everything points to the probability of the gradual diminution of data necessary for calculating the amount which the Company should be asked to contribute having regard to the limitation above referred to. Moreover, if the Company did the work, the question of the standard of maintenance to be observed, having regard to the interpretation of the words in Clause 16 of the Concession Agreement "so as not to be a danger or annoyance to the ordinary traffic" might, at times, present difficulty.

In view of all the circumstances, the Local Board directs me to suggest that it would be more satisfactory if an amount could be agreed upon between the Council and the Company to be paid annually by the latter in lieu of all its obligations under Clause 16 of the Concession Agreement.

In 1910 the Chairman of the Council said with regard to the road maintenance charge to the Company, "we (the Council) consider such a contribution on the part of an Electric Tramway Company is a doubtful charge upon the undertaking. In the old days of horse-drawn cars provision of this kind was almost a necessity, for the tramway had a very serious effect on the wear and tear of macadam roads. An electric tramway is otherwise, for it collects the traffic on to its own rails, and acts as a saving of wear and tear on the surface generally."

I am to recall also that the Council receives licence fees from a very large number of vehicles of different kinds, and that such fees may reasonably be regarded as intended to defray some part of the cost of road maintenance; it is plain that the wear and tear of the track surfaces is principally due to such vehicles and not to the cars of the Company, and that, within the last few years, conditions have changed very greatly by reason of the advent of large numbers of motor vehicles which destructively use the track surfaces, but from which the Council receives substantial licence fees.

The circumstances mentioned in the last two paragraphs do not, of course, alter the Company's legal obligations under Clause 16 and they are not put forward as matters affecting the interpretation of that clause. They do, however suggest that an agreement for payment of a fixed contribution would be a fair and reasonable arrangement, and I am directed to offer a sum of \$17,000 per annum for this purpose.

The Local Board trusts that the Council will regard the proposal favourably as a solution of what is otherwise likely to become a difficulty of frequent occurrence.

I am, Sir, your obedient servant,
D. McCOLL,

General Manager,
Shanghai Electric Construction Co., Ltd.

J. B. MACKINNON, Esq.,

Acting Secretary, Municipal Council.

Shanghai, January 17, 1917.

DEAR SIR,—With reference to an enquiry by Mr. Harpur, Deputy Engineer and Surveyor, I beg to advise you that in my letter of 12th instant, the meaning intended by the Company is that its offer of a fixed annual payment would be in lieu of its obligations under Clause 16 of the Concession Agreement, excepting only those relating to the rails and the substructure upon which they rest. Of course this arrangement would not affect the Company's responsibility to carry out or pay for road reinstatements due to its operations, as at present. It is further understood that the fixed annual payment if agreed upon, would be retrospective to January 1, 1917, and that the Company would complete, at its own cost, the repairs now in progress to the wood block margins on the Bund as arranged in recent correspondence between the Council and the Company.

Yours faithfully,

D. McCOLL,

General Manager,
Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL Esq.,

Assistant Secretary, Municipal Council.

Council Room, Shanghai, February 5, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of January 12 further on the subject of the maintenance of the tram tracks.

In reply I am directed to inform you that the suggestion as to payment of a fixed annual contribution of \$17,000 in commutation of all the Company's obligations under Clause 16 of the Concession Agreement with the exceptions stated by you, does not meet with favour because the cost of maintenance must of necessity vary from year to year particularly under existing conditions. I am accordingly directed to re-state that should you wish the existing arrangement to continue whereby the maintenance of the macadam surfaces is carried out by the Council, the Council will be under the necessity of charging your Company at the rate of Tls. 10,000 per annum for the year ending December 31, 1917, and until further notice; this charge, I am to emphasise, represents only the actual cost of repairs in ordinary macadam and does not include the additional cost incurred by the use of tar macadam.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Assistant Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, February 24, 1917.

SIR,—With reference to your letter dated 5th instant, it is noted that it does not dispute the following statement in my letter of January 12;—

"As rates of wages and prices of materials for ordinary macadam have not appreciably increased, it appears to follow that the increase of 56 per cent in the contribution requested of the Tramway Company is mainly due to the greater use of the tracks by other vehicles or to the maintenance of a higher standard for the benefit of such other vehicles, or to both of these causes."

I am directed to enquire how much, if any, of the proposed additional charge to the Company is due to increases in rates of wages and prices of materials, as the Company readily acknowledges responsibility for such increases.

Since the present charge was fixed, some 600 motor cars have been introduced on the streets. These cars, owing to the nature of the other traffic here, cannot avoid running largely on the tramway tracks. They include a large number of cars for public hire and these cars must run a much greater mileage per car than private cars. Moreover, heavy motor vehicles are increasing in number and these also damage the track surfaces. It is to be noted that the rate of increase in the number of motor cars here is now very great as compared with former years; in the one year 1916 the number increased as much as during the six years 1907 to 1912. The present number of automobiles using the streets is some 7 or 8 times more than the total number of motor tramcars.

The Chairman of Council, in 1910, admitted that even the original road maintenance charge to the Company was a doubtful one and that while horse-drawn cars had a very serious effect on the wear and tear of macadam road surfaces it was otherwise with an electric tramway which "collects the traffic on to its own rails and acts as a saving of wear and tear on the surface generally." On the other hand, motor cars do unquestionably wear the surfaces considerably. Evidence of this is found in the following passage from a paper read before The Engineering Society of China by one of the Council's Engineers and printed in the Society's proceedings for year 1913/14:—

"In the case of motor traffic the action upon the road is totally different, except in the case of motor lorries with iron tyres.

"With a pneumatic tyre the gripping action of the rear wheels, combined with the suction action of the rubber covering as it rises from the road, has a tendency, particularly in wet weather, to remove the binding material and this directly leads in the case of a macadam road to the formation of small depressions in the surface which are a sure indication of the approaching failure of the metalling.

"Where brakes have to be applied as frequently as they have in Shanghai, the scrubbing action of the tyres upon the road surface is not to be ignored."

But the Council's request for a greatly increased payment by this Company for road maintenance appears to imply that, although this Company does not wear the surfaces, the Council expects that it will pay for making good the wear caused to track surfaces by whatever number of motor vehicles of all kinds may be brought on to the streets. It is not easy for the Company to accept this principle of unlimited liability; the Local Board notes that the wording of the Concession Clause "so as not to be a danger or annoyance to the ordinary traffic" implies some limitation; and in the tramway technical journals some recent cases have been reported which indicate a tendency in the English Courts to limit obligations of road maintenance to what was originally necessary when the obligations were undertaken, and if the Council does not see its way to accept some arrangement such as has been suggested, the Board may have to consider the desirability of taking steps to have determined the extent of the Company's obligations.

It is, of course, the case that, in respect of all increases in motor traffic, the Council obtains licence fees. For the year in which the Tramway Concession was signed, these fees totalled less than Tls. 500; for the year 1908 when the present rate of contribution of the Company for road maintenance was fixed, they totalled Tls. 2,428; but for the year 1916 they had risen to over Tls. 25,000. To ask the Tramway Company to pay for the extra wear and tear caused by this new and extensive traffic seems, therefore, to involve duplication of charges.

After careful consideration of the whole question, in the light of changing conditions, not only as regards forms of traffic but of paving, the Local Board concluded that it appeared to be one for compromise and therefore suggested a fixed annual payment of \$17,000 to cover all the Company's road maintenance obligations. The Board is still of opinion that an arrangement of this kind would most suitably meet the difficulty. I am directed to suggest that, if the Council cannot accept such an arrangement, you will kindly advise me of its views on the question of the extent of the Company's liability for making good the wear and tear to the track surfaces caused by new forms of traffic, present and future.

I am, Sir, your obedient servant,
D. McCOLL,
General Manager,
Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Shanghai, April 10, 1917.

SIR,—With reference to my letter to you dated February 24, I am directed to enquire whether the amount of \$17,000 per annum as a fixed annual payment in lieu of the Company's road maintenance obligations as described in my letter to you dated January 17 is not regarded by the Council as adequate.

I am, Sir, your obedient servant,
D. McCOLL,
General Manager,
Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, May 24, 1917.

SIR,—In reply to your letter of April 10 in continuation of the correspondence on the subject of your Company's road maintenance obligations, I am directed to inform you that the Council is unwilling to enter into any arrangement binding its successors in perpetuity nor can it consent to relieve your Company of any of the obligations which it may have incurred under the provision of the Tramway Agreement in respect to the more rapid wear, if any, due to increase in the number of vehicles using the Municipal roads.

At the same time in order to assist the Company to provide for such expense as may be requisite, the Council is prepared to undertake the maintenance of the wood-paved, macadamized and chip-paved portions of the tracks and the stone setts for a period of five years, at the rate of Tls. 14,500 per annum.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

D. McCOLL, Esq.,
General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, June 11, 1917.

SIR,—With reference to your letter dated May 24 on the subject of road maintenance, I am directed by the Local Board to ask you to let me have a statement of the proposed method of quinquennial revision of the annual charge indicated therein. In this connexion I am directed to point out that some miles of the track have already been laid in tar macadam; that it is understood to be the Council's policy to extend this form of paving; and as the Company's obligation is limited to ordinary waterbound macadam, it is obvious that it must become increasingly difficult to arrive at reliable estimates based on ordinary waterbound macadam.

With regard to the present condition of the macadam surfaces of the track, which is bad in places owing to the fact that no maintenance work has been done this year. I am directed to enquire whether the Council would be willing to carry out in the meantime, as formerly, the maintenance of the macadam and chip-paved portions (without prejudice to existing negotiations) and on the understanding that any arrangement finally arrived at will be retrospective and will take effect from January 1 of this year.

I am, Sir, your obedient servant,
J. G. SMEATON,
Acting General Manager, Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, June 19, 1917.

SIR,—In reply to your letter of June 11 on the subject of road maintenance, I am directed to state that the method of revision five years hence of the sum, for which the Council will undertake to perform the works for which the Tramway Company is liable under the Tramway Agreement, will necessarily receive consideration and be subject to decision by the Council of that date. No difficulty is anticipated in this matter, since the cost of metalling can always be ascertained by comparison of the cost of the adjoining ordinary macadam which will still exist in many places adjoining the margins of the tram tracks.

With respect to the second paragraph of your letter, the Council will comply with your suggestion and repair the macadam and chip-paved portions at your cost on the understanding that whatever agreement is reached as an outcome of the present negotiations will be retrospective to January 1 of this year.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

J. G. SMEATON, Esq.,
Acting General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, June 25, 1917.

SIR,—With reference to your letter dated 19th instant, I am desired to point out that the principle proposed by the Council of a fixed annual amount for a period of five years is open to the same objection as the present arrangement which has been subject to agreement annually, viz., that the basis of ascertaining the amount to be charged is gradually disappearing with the abolition of water-bound macadam for which alone the Company is responsible, except where wood-paving is laid. The Council's suggestion that the cost of maintaining water-bound macadam at the sides of the streets be taken for reckoning the maintenance cost of the track surface appears to the Local Board to confirm their opinion as to the desirability of agreeing a permanent annual charge, because the maintenance of water-bound macadam where it would exist at the sides of Tramway routes five years hence would be most unlikely to form any guide as to what would be the cost of maintaining such paving if it were then in use on the centre portions occupied by the tramway tracks: the traffic and consequently the wear of the surfaces would be bound to differ on different roads and on different parts of roads. Moreover, in course of time, water-bound macadam will probably disappear entirely even from the sides of the Tramway routes. But whilst to both the annual and quinquennial arrangements the same objection of a disappearing basis of charge applies, the quinquennial arrangement, as proposed by the Council, has the further disadvantage that the suggested amount of Tls. 14,500 must include provision for renewal of wood-paving, whilst actually no renewals should be required during these five years. Failing agreement at the end of the five years and the Company, in consequence, deciding to carry out the work itself (in water-bound macadam) the Council would hold considerable unexpended amounts paid by the Company in respect of wood-paving renewals. This point is mentioned merely as a further indication that a permanent annual payment, not subject to revision, would be the most satisfactory solution.

The obligation placed upon the Company by the Concession Agreement is that the Company shall itself carry out the maintenance work ; but it was soon found better that the Council instead of the Company should do the work. It transpires now that the form of paving stipulated to be maintained by the Company on the tracks is being dispensed with in favour of a less dusty but more expensive form, and that the basis of arriving at the proper charge by the Council is therefore, disappearing.

The Company is unwilling to agree to the greatly increased annual contribution, as proposed by the Council, for a period of five years only, subject to further revision at the end of that period on a method of which the Council has not given particulars as asked for by the Company. The Company believes that revision would present endless difficulty without hope of even a distant approach to accuracy.

It is thought that as, in the future, data will not be available for ascertaining the annual charge to the Company in respect of a superseded form of paving, the preferable course would be to commute the road maintenance obligations of the Company for a fixed annual contribution, thus finally disposing of what would otherwise be a question of recurring difficulty. The Local Board hopes that, on reconsideration, this view will commend itself to the Council, and ventures to suggest that a joint meeting might be held with a view to arriving at a settlement.

I am, Sir, your obedient servant,

D. MCCOLL,

General Manager, Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, July 6, 1917.

SIR,—In reply to your letter of June 25, with further reference to the maintenance of tram tracks, I am directed to inform you that the Council has given much consideration to this matter, and has done all in its power to meet the Tramway Company's views. You appear to have entirely overlooked the fact that tar macadam paving, and other forms of paving more expensive than ordinary macadam, are laid down chiefly as a measure of economy to obviate too frequent renewal of the ordinary macadam. If, therefore, the cost is the greater, the life is the longer.

But even so the Council has met you to the utmost extent with respect to your suggestions and I am directed to inform you that the sum named in my letter of May 24, i.e., Tls. 14,500 per annum is the least sum for which the Council is prepared to take upon itself the onus of carrying out the Company's obligations in the matter of road maintenance.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Acting Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, July 11, 1917.

SIR,—With reference to your letter dated 6th instant, the Local Board regrets to note that it does not answer the points raised in my letter dated 25th ultimo. The Company has clearly explained the difficulties of a method of revision of the charge whether annually or quinquennially, and has shown that already there is only an incomplete basis of arriving at the charge to the Company, and that, in due course, there will be no basis at all. The agreement of a permanent annual contribution is, therefore, apparently the only solution.

The Local Board is unable to agree with the statement in your letter that the Council has met the Company "to the utmost with respect to your suggestions." Not only have you not answered the points raised in my letter of 25th ultimo, but you have made no reference to the Company's proposal for a joint meeting with a view to arriving at a settlement, nor have you dealt with the difficulty that if at the end of 5 years the work should revert to the Company the Council would then have in hand considerable unexpended sums in respect of wood-paving renewals. Although the last paragraph of your letter suggests that the Council is prepared to do the work for Tls. 14,500 per annum and no mention is made of revision, I understand from a subsequent conversation with you that the Council still means the amount to be subject to revision at the end of 5 years.

The Company is unable to agree either to the increase proposed by the Council of the road maintenance charge to the Company (excluding wood-paving) from Tls. 6,422 to Tls. 10,000 for the year 1917 or to the amount of Tls. 14,500 per annum (including wood-paving) subject to revision at the end of 5 years. The Company is, however, prepared to agree to the sum of Tls. 14,500 as a permanent annual contribution in lieu of its road maintenance obligations, as specified in my letter dated January 17 last, but if the Council is unwilling to accept this proposal or to recommend its acceptance by the ratepayers at the next annual meeting, I am directed to enquire whether the Council has any other suggestion to make.

I am, Sir, your obedient servant,

D. MCCOLL,

General Manager, Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, October 4, 1917.

SIR,—In reply to your letter of July 11 further on the subject of the maintenance of tram tracks, I am directed to state that the Council is not unwilling to fall in with any reasonable arrangement with your Company whereby that maintenance shall continue to be carried out by the Public Works Department.

Revision of the charge for maintenance in water-bound macadam is not considered by the Public Works Department to present any special difficulty such as you apprehend, but after close examination of the several points to which attention has been directed in the course of the correspondence with your Company, the Council now makes the following proposal as a final suggestion for the conclusion, subject to confirmation at the next Annual Meeting of Ratepayers, of an arrangement which should, it is considered, be satisfactory to you. Briefly the Council's proposal is to assume responsibility for maintenance as indicated hereunder in consideration of:—

(1). A payment of Tls. 14,500 per annum calculated upon the mileage of track on December 31, 1917, and subject to revision every ten years on the basis of the cost of labour and material. Such payment being apportioned as follows:—

Maintenance of macadamised and chip-paved portions of track	Tls. 10,000
Maintenance of stone setts	1,000
Annual contribution to cover cost of relaying wood block paving, allowing a life of 16 years for such paving	3,500
	<u>Tls. 14,500</u>

(2). A fixed payment of Tls. 2,000 per annum calculated upon the mileage of track on December 31, 1917. This payment to compound for any increase in the rate of wear and tear caused by increase of traffic, etc., over the wear and tear as at the commencement of 1917.

These payments will be retrospective so as to apply from January 1, 1917, and any increase in the length of track will involve a pro rata increase in such payments. A schedule showing in detail how the figure of Tls. 14,500 is calculated—cost per mile or per fong of labour and material—will be submitted for your agreement so that when the time for revision arrives, ten years hence, there should be no difficulty in connexion therewith.

In conclusion I am directed to point out that the intention of Clause 16 of the Tramway Agreement of 1905 is in the Council's opinion clear and unequivocal and to inform you that, if your Company is not content to accept the proposal herein set forth, the Council prefers, in spite of the dust involved by water-bound macadam and of other minor disadvantages, that your Company should carry out the work of maintenance itself, in accordance with the undertaking contained in the Agreement, for it is not inclined to give consideration to any further proposals on the subject.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Shanghai, October 8, 1917.

SIR,—Your letter dated 4th instant has been submitted to the Directors who regard it as substantially advancing settlement of the question. In reply, I am directed to advise you they will be glad to receive the schedule referred to, and it is suggested that, in this schedule, it would be more correct to take the areas (in fong) as hitherto, instead of mileage of track as mentioned in your letter. It is also suggested that it would be more suitable to take the average areas for each year so that the charge would always be subject to revision in accordance with any increase or decrease in the average areas. It is not clear what adjustment, if any, the Council proposes in the event of stone setts being dispensed with or in the event of chip-paved portions being macadamised or macadamised portions chip-paved. Regarding wood blocks, it is presumed that the proposed charge will cover repairs as well as renewals, and that the words "allowing a life of 16 years for such paving" may be deleted.

I am, Sir, your obedient servant,
D. McCOLL,

General Manager, Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, December 10, 1917.

SIR,—In reply to your letter of October 8, on the subject of the maintenance of tram tracks, I am directed to state that the cost per fong of maintenance per annum of the macadamised and chip-paved portions of the tram tracks may be subdivided as follows:—

MACADAM			CHIP-PAVED		
Materials	Tls. 0.90	¾-in. chips 9 cub. ft.	Tls. 0.31	Spalls 5½ cub. ft.	
		Soochow sand 1½ "		Ningpo sand 1 "	
		Machine sand ¼ "			
Haulage	0.31	fong miles	0.07	fong miles	
Labour	0.71	42 coolie hours	0.62	27 chip-paver hours	
	<u>Tls. 1.92</u>		<u>Tls. 1.00</u>		

With reference to the question of the stone setts, it is not proposed to replace any of these in the future, as far as can be foreseen, but should such a course be deemed desirable or should any portion of the existing macadam be changed for chip-paving, no alteration would be made in the amount of the contribution.

The figure included for wood-paving would include the cost of renewal and the question of its life will not therefore concern the Tramway Company.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co. Ltd.

Shanghai, December 17, 1917.

SIR,—In reply to your letter dated 10th instant, I am directed to advise you that the Company agrees the schedule embodied therein, and accepts the complete arrangement which, as understood by the Board, is detailed herein in order to have it embodied in one document :—

(1) In lieu of its obligations under Clause 16 of the Concession Agreement, excepting only those relating to the rails, and the substructure upon which they rest and in lieu of the road maintenance contribution of Tls. 6,422 per annum which, for a considerable period, the Company has been making to the Council, the Company shall pay to the Council, commencing with the year 1917, the sum of Tls. 16,500 per annum made up as under :—

(a) Maintenance and renewal of macadam and chip-paving on tramway tracks	Tls. 10,000
(b) Maintenance and renewal of wood block paving on tramway tracks in Bund and Nanking Road	3,500
(c) A fixed payment in respect of maintenance and renewal of stone setts alongside rails	1,000
(d) A fixed payment to compound for any increase in rate of wear and tear of track surfaces due to possible increase of traffic, etc.	2,000
	<u>Total Tls. 16,500</u>

The amounts (a) and (b) shall be subject to alteration in any year pro rata to any increase or decrease in the corresponding areas due to increase or decrease in the length of track. The present areas are :—

	Sup. Fong.
Macadam	4,803.73
Chip-paved	778.01
Wood-paved	1,193.82
	<u>6,775.56</u>

The present length of track is as under :—

	Miles
Double	9.385
Single	7.055

In calculating an alteration, the average area for the year shall be taken. No alteration shall be made in the amount of the contribution because of changes in the form of paving or because of any abandonment of stone setts.

(2) Every 10 years (computed from January 1, 1917) the amount (a) of Tls. 10,000 mentioned in the preceding clause shall be subject to alteration only according to rates of wages and prices of materials paid by the Council as compared with the present rates and prices which are :—

MACADAM		Tls.	Per sup. fong per annum Tls.
Materials	{ ¾-in. chips 9 cub. ft. at 9 tael cents =	0.8100	
	{ Soochow sand 1½ " " 4 " =	0.0600	
	{ Machine sand ¼ " " 9 " =	0.0225	
		<u>0.8925</u>	say 0.90
Haulage	{ Present carting contract at 1 tael per fong per mile	0.31	
Labour	42 coolie hours	<u>0.71</u>	
		4,803.73 fong at 1.92 =	Tls. 9,222
CHIP-PAVED		Tls.	Per sup. fong per annum Tls.
Materials	{ Spalls 5½ cub. ft. at 5 tael cents =	0.275	
	{ Ningpo sand 1 " " 4 " =	0.040	
		<u>0.315</u>	say 0.31
Haulage	{ Present carting contract at 1 tael per fong per mile	0.07	
Labour	27 chip-paver hours	<u>0.62</u>	
		778.01 fong at 1.00 =	788
			<u>Tls. 10,000</u>

The rates of wages and prices of materials ruling at the beginning of each decennial period shall apply throughout the whole of that decennial period.

(3) The foregoing arrangements shall not affect the Company's responsibility to carry out or pay for road reinstatements due to its operations.

I shall be glad if you will kindly advise me whether the foregoing expresses correctly the complete arrangement as understood by the Council.

The Local Board notes the Council's intimation that the arrangement is subject to confirmation at the next Annual Meeting of Ratepayers.

I am, Sir, your obedient servant,

D. McCOLL,

General Manager, Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, December 26, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of December 17, on the subject of tram-track maintenance, and to state that the terms therein contained meet with the Council's acceptance.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Acting Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Advertisements.—Interchange of letters with the Company on the subject of advertisements on the exterior of Tram Cars.—

Council Room, Shanghai, January 31, 1917.

SIR,—I am directed to inform you that it has been reported to the Council that advertisements relating to a drapery sale for a local store have recently been exhibited on the exterior of tramcars in contravention of Article VII (d) of the Tramway Agreement, I shall be glad to receive an assurance that these advertisements have been removed and will not be replaced.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Assistant Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

Extract from Tramway Agreement, dated October 10, 1905.

Clause 7, Cars (d) Advertisements.

"No advertisements shall be exhibited on the exterior of the cars except notices relating to the Company's services."

Shanghai, February 14, 1917.

SIR,—With reference to your letter dated 31st ultimo and my subsequent telephone conversation, I enclose herewith, a list of advertisements which have been displayed on the poster boards at the ends of tramcars since March, 1914. Going further back than this list, it is recalled that, at Mr. Leveson's request, we exhibited, in 1910, posters advertising a special meeting of Ratepayers. Last year also we exhibited, at the request of the Chief Officer of the Fire Brigade, posters in connexion with the Jubilee Celebration of the Fire Brigade.

It is, perhaps, somewhat difficult to interpret the Clause in the Concession Agreement on this matter. Doubtless however, the Clause was intended to ensure that the outsides of the tramcars would not be crowded with advertisements as is the case with tramcars and omnibuses in many other places. This it certainly does. Of the advertisements exhibited on these boards, many can be construed as being concerned with the movement of people and so connected with "the Company's services" mentioned in the Concession Clause. Even the advertisement to which your letter refers might be placed in this category. As the list shows, similar advertisements were exhibited on the boards about a year ago.

Most of the advertisements exhibited on our poster boards are free.

The arrangement in the French Settlement is that the French Company is free to use poster boards on the ends of the cars at its discretion, but that no other exterior advertisements are displayed. It necessarily happens, of course, that with through running, the French Company's cars, bearing advertisements under this arrangement, run in the Foreign Settlement.

Hitherto, in every case where there was any doubt as to the expediency of exhibiting an advertisement submitted to the Company, I communicated with the Secretary of the Council or the Captain Superintendent of Police.

The question of exhibiting posters on the exterior of the cars is one of trifling importance to the Company, and such exhibition is mainly a convenience to those requesting the display of the posters.

If, on examination, the Council is not satisfied with the present procedure, I shall be glad if you will advise me as to the course which it desires the Company to adopt in future having regard to the miscellaneous character of the announcements which it has been the practice hitherto to display.

I am, Sir, your obedient servant,

D. McCOLL,

General Manager, Shanghai Electric Construction Co., Ltd.

N. O. LIDDELL, Esq.,

Assistant Secretary, Municipal Council.

Council Room, Shanghai, March 8, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of February 14 on the subject of tramway advertisements and in reply to inform you that generally speaking the Council, whilst reserving the right to request the removal of any advertisement, has no objection to their exhibition on the poster boards at the end of the tramcars so long as they are obviously free from objection and do not relate directly or indirectly to the sale of goods, except of course at charity and similar sales. In this connexion I am directed to refer you to your letter of July 6, 1909, to the Secretary of the Council and to his reply of July 8, in which he stated that notices as to sales at any of the local stores would be regarded as objectionable.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Assistant Secretary.

D. McCOLL, Esq.,

General Manager, Shanghai Electric Construction Co., Ltd.

WATER SUPPLY.

On March 7, a summons was taken out by the Council in H. M. Supreme Court for an order that in accordance with Clause 12 of the Waterworks Agreement the Company refer to arbitration the disputes which had arisen (*vide* page 125A *et seq.* of the Report for 1916) on the terms already proposed by the Council or on such other terms as the Court might think fit.

On the hearing of the summons on March 15 an order was made referring the matter to Chambers, where the questions for arbitration were finally settled by H. M. Judge, and thereafter embodied in the Agreement for Reference, which was signed by both parties on April 28. The Council's Statement of Contentions was filed on May 15 and the Company's Answer on May 23. The Arbitrators appointed were Messrs. S. B. Neill and P. Peebles.

The hearing of the arbitration was commenced on June 5 and occupied six days, Messrs. D. McNeill and N. C. Home appearing for the Council and Mr. R. N. Macleod for the Company. The award of the Arbitrators was delivered on July 3.

Note of Agreement Between Counsel.

1.—That the Agreement for reference contain in addition to the questions settled by the Judge in Chambers (of which a copy is attached) a provision that the Plaintiffs shall deliver to the Defendants, within 10 days from the date of the Agreement, a Statement of their contentions on such questions, and that within 10 days after delivery of such Statement the Defendants shall deliver to the Plaintiffs their Answer.

2.—That the Agreement for reference shall contain formal clauses as to procedure and the like.

3.—It is recorded that Clauses 6 and 7 of the Draft Agreement have been eliminated upon the understanding that the contracts of the Defendants are invariably made with the individual consumer or with the landlord of a number of consumers in the same building and in the latter case the total rate charged to the landlord in any month is the sum of the rates that would have been charged to each individual consumer for that month, the only difference being that in the latter case the landlord makes himself responsible for the payment of the rates.

Dated the 5th day of April, 1917.

R. N. MACLEOD.
DUNCAN McNEILL.

(Clauses 6 and 7 of the Draft Agreement above Referred to).

6.—In the case of buildings occupied partly as offices or business premises and partly for residence is the Company under the said Agreement either bound or entitled to regard the nature of the occupation of any part in fixing the rate to be charged in respect of the supply of water to the occupier or occupiers of that part.

7.—In the circumstances referred to in the last preceding question is the Company entitled to charge a rate in respect of the supply of water to such part of a building as may be occupied for residence without regard to the fact that—

- (a.) The part so occupied is in the occupation of more than one consumer;
- (b.) The part so occupied is not wholly occupied by any person;
- (c.) The part so occupied is partly occupied by the owner.

Arbitration Agreement.

THIS AGREEMENT made at Shanghai in China this twenty-eighth day of April One thousand nine hundred and seventeen Between THE COUNCIL FOR THE FOREIGN COMMUNITY OF SHANGHAI NORTH OF THE YANG-KING-PANG (hereinafter called "the Council") of the one part and THE SHANGHAI WATERWORKS COMPANY, LIMITED (hereinafter called "the Company") of the other part WHEREAS by an Agreement made the First day of July One thousand nine hundred and five between the Council of the one part and the Company of the other part it was amongst other things in Clause 5 provided that the charge made by the Company for the supply of water for ordinary domestic purposes to consumers residing in foreign dwellings should be at the rates stipulated in the Schedule annexed to the said Agreement or, in the case of new houses, at rates based on such Schedule provided that in no case should the charge exceed 4 per cent. on the actual rent of such occupied dwellings or where the occupier was the owner of such dwelling 4 per cent. on the rent assessed by the Council for purposes of taxation AND WHEREAS it is also by the said Agreement in Clause 4 provided that the Company's obligation to provide and deliver a supply of water shall be subject to the condition that the persons to be supplied as therein mentioned shall comply with the reasonable regulations of the Company AND WHEREAS since the date of the said Agreement new buildings have been erected by Messrs. George McElin by the China and Japan Trading Company and by The Union Insurance Society of Canton Limited the occupiers of which are entitled to a supply of water in accordance with the said Agreement of First July One thousand nine hundred and five AND WHEREAS the Company has claimed the right to charge to consumers in the said new buildings in respect of all water supplied for domestic purposes a rate, in the case of the portions thereof

which are occupied as offices, of 3 per cent. on rentals and, in the case of the portions thereof which are occupied as residences, of 4 per cent. on rentals AND WHEREAS disputes and differences have arisen between the parties hereto as to the rate or rates to be charged under the said Agreement in respect of the supply of water to the said new buildings and other buildings and premises and as to the regulations which the Company is entitled to impose as a condition of providing and delivering the same and it has been agreed that such differences shall be referred to Arbitration in accordance with Clause 12 of the said Agreement NOW THESE PRESENTS WITNESS AND IT IS HEREBY MUTUALLY AGREED AND DECLARED that it shall be referred to PHILIP PEEBLES ESQUIRE AND SAMUEL BENNETT NEILL ESQUIRE or in the case of their disagreement to the Judge for the time being of His Majesty's Supreme Court for China or his nominee as Umpire to award and determine the matters following, viz. :—

I.—(a) On what principle is the schedule to the agreement of July 1, 1905, to be applied to consumers of water in buildings erected since the date of the said agreement ?

(b) Are the rates of 3 per cent. and 4 per cent. on rentals, which the Company claims to charge as above-mentioned, in accordance with such principle ?

(c) If "No," what rates are chargeable by the Company in respect of water supplied to the aforesaid premises ?

II. Does the said agreement include any and which of the following, that is to say :—

(a) Urinals, (b) Water-closets, (c) Private Fire-Hydrants ?

If "Yes," what rates are the Company entitled to charge for such supply ?

III. Does the expression "ordinary domestic purposes" as used in Clause 5 of the said agreement include any and what supply of water for other than trade purposes to premises occupied as offices, and being an entire building or an entire part of a building ?

IV. In the event of the Arbitrators awarding that the supply of water for any of the purposes or to any of the premises mentioned in the preceding questions is to be charged for by meter, what conditions, if any, is the Company entitled to impose as to the use of water in connexion with its use for water-closets or urinals ?

So that the award of the said Arbitrators or Umpire concerning the same shall be made and in writing and ready to be delivered to the said parties or either of them on or before the 31st day of May next or on or before any further day to which the said Arbitrators or Umpire may by writing under their or his hand endorsed on these presents from time to time enlarge the time for making their or his said award. AND IT IS HEREBY mutually agreed and declared :—

That the understanding referred to in Clause 3 of a note signed by counsel and filed in His Majesty's Supreme Court for China on the 5th April, 1917, in proceedings between the parties hereto (a copy of which is annexed to these presents) shall be deemed to be binding upon each of the said parties in relation to this Arbitration as though the said Clause 3 had been incorporated in this Agreement.

That the party hereto of the first part shall within 10 days from the date of this Agreement deliver to the party of the second part a Statement of its contentions with regard to the matters hereby referred and that the party hereto of the second part shall within 10 days after the delivery of such Statement deliver to the party of the first part its Answer.

That the said parties hereto, their successors and assigns, will in all respects abide by, observe, perform, and obey the said award so to be made and published as aforesaid.

That the said parties respectively will do all acts necessary to enable the said Arbitrators, or their Umpire, to make their or his award herein, and neither of them will wilfully or wrongfully do or cause to be done, any acts to delay or prevent the said Arbitrators, or their Umpire, from making their or his award. And if either of the said parties shall wilfully or wrongfully do, or cause to be done, any such act as aforesaid, it shall pay to the other party such costs as the said Arbitrators or their Umpire may in writing declare to be reasonable.

That the costs of preparing and executing these presents in four parts and the costs of the reference and awards shall be in the discretion of the said Arbitrators or their said Umpire who may direct to and by whom and in what manner the same or any part thereof shall be paid and may tax or settle the amount of costs to be so paid or any part thereof and may award costs to be paid as between solicitor and client.

That in case either party refuse or fail after reasonable notice to attend, either personally or by counsel or solicitor, before the said Arbitrators, or their Umpire, at any meeting which they or he may appoint, it shall be lawful for them or him to proceed *ex parte* as effectually as if such party were present.

That neither of the parties shall bring or prosecute any action against the other or against the said Arbitrators or their Umpire or any of them, for or in respect of the said matters in difference or any of them, or the said award to be made in pursuance of this submission.

IN WITNESS whereof the said parties hereto have executed these presents the day and year first above written.

The seal of the Council for the Foreign Community of Shanghai North of the Yangkingspang has been hereunto affixed in the presence of

N. O. LIDDELL,
Acting Secretary.

The seal of the Shanghai Waterworks Company, Limited, has been hereunto affixed in pursuance of a direction of the Board and in the presence of

LESLIE J. CUBITT, {
R. McE. DALGLIESH, { Directors.
F. B. FITCAIRN,
Acting Secretary.

Statement of the Contentions of the Council.

1.—(a) The Council say that the Schedule to the Agreement of 1905 should be applied by the Company to consumers of water in buildings erected since the date of the said Agreement on the principle that no such consumer is to be required, as owner or occupier, to pay for a supply of water at a rate fixed by the Company in a different manner or on a different scale from the rate which is by the said Schedule declared to be payable, in respect of a like supply, by any consumer who is therein rated as owner or occupier of a building of the same general class as the building owned or occupied, as the case may be, by such consumer.

(b) The Council say that the rates of 3 per cent and 4 per cent on rentals, which the Company claims to charge are not in accordance with such principle.

(c) The Council say that the rates chargeable by the Company are rates based in accordance with the above principle on the rates which, under the Schedule, were chargeable to owners or occupiers, of buildings (of the same general class as the aforesaid premises) which were in existence at the date of the said Agreement of 1st July, 1905.

2. The Council say that the said Agreement of 1st July, 1905, includes :—

- (a) Urinals
- (b) Water-closets
- (c) Private Fire Hydrants

and that the supply of water for any of these purposes should be charged for at the rates chargeable under the Schedule, or in the alternative according to the amount consumed, that is to say by meter.

3.—The Council say that the expression "for ordinary domestic purposes" does not include a supply of water for other than trade purposes to premises occupied as offices and being an entire building or part of a building and in particular does not include such supply to the whole or any part of the McBain or Union Building or the Building of the China and Japan Trading Company if so occupied.

4. The Council say that in the event of the Arbitrators awarding that the supply of water for any of the purposes or to any of the premises mentioned in Questions 1, 2, and 3 contained in the Agreement for Reference herein is to be charged for by meter the Company is not entitled to impose any conditions as to the use of water in connexion with its use for water-closets or urinals which are calculated to deprive the consumer of full control over the amount to be consumed.

Shanghai, the 15th day of May, 1917.

DUNCAN McNEILL,

Counsel for the Council for the Foreign Community of Shanghai.

Answer to Statement of the Contentions of the Council.

1. (a) The Company says that the Schedule to the Agreement of the 1st day of July, 1905, should be applied to consumers of water in buildings erected since the date of the said Agreement on the principle that each of such new consumers is to be charged at a rate the same as that determined by the Schedule for consumers in respect of a like supply and in buildings of a like general class.

(b) The Company says that the rates of 3 per cent and 4 per cent on rentals which the Company claims to charge are in accordance with such principle.

2. The Company says that the Agreement of 1st July, 1905, includes urinals and that the supply of water for such purpose should be charged for at rates based on the said Schedule. The Company says that the said Agreement does not include water-closets or private fire hydrants and that no provision is made in the said Agreement for the rates to be charged for the supply of water for such purposes.

3.—The Company dissents from the contention in Paragraph 3 of the Statement and says that the expression "Ordinary domestic purposes" includes all such purposes without regard to the nature of the use or occupation of the building in which the water is used.

4.—The Company dissents from the contention in Paragraph 4 of the Statement and says that the Company is entitled to impose any reasonable Regulations for the control of the supply of water to consumers for any purposes.

Shanghai, the 23rd day of May, 1917.

R. N. MACLEOD,

Counsel for The Shanghai Waterworks Co., Ltd.

Award.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING :—

WHEREAS by an Agreement made the first day of July 1905 Between THE SHANGHAI WATERWORKS COMPANY LIMITED (therein and hereinafter called "the Company") of the one part and THE COUNCIL FOR THE FOREIGN COMMUNITY OF SHANGHAI NORTH OF THE YANG-KING-PANG (therein and hereinafter called "the Council") of the other part it was amongst other things in Clause 5 provided that the charge made by the Company for the supply of water for ordinary domestic purposes to consumers residing in foreign dwellings should be at the rates stipulated in the Schedule annexed to the said Agreement or, in the case of new houses, at rates based on such Schedule provided that in no case should the charge exceed four per cent. on the actual rent of such occupied dwelling or where the occupier was the owner of such dwelling four per cent. on the rent assessed by the Council for purposes of taxation AND WHEREAS it was also by

the said Agreement in Clause Four provided that the Company's obligation to provide and deliver a supply of water should be subject to the condition that the persons to be supplied as therein mentioned should comply with the reasonable regulations of the Company AND WHEREAS since the date of the said Agreement new buildings have been erected by Messrs. George McBain by the China and Japan Trading Company and by the Union Insurance Society of Canton Limited the occupiers of which are entitled to a supply of water in accordance with the said Agreement of First July One thousand nine hundred and five AND WHEREAS the Company has claimed the right to charge to consumers in the said new buildings in respect of all water supplied for domestic purposes a rate, in the case of the portions thereof which are occupied as offices, of 3 per cent. on rentals and in the case of the portions thereof which are occupied as residences, of 4 per cent. on rentals AND WHEREAS by Clause Twelve of the said Agreement it was agreed that any difference dispute doubt or question which might arise between the parties hereto touching the construction meaning or effect of the said Agreement or any clause or thing therein contained or the rights or liabilities of the parties hereto should be referred to arbitration in Shanghai in manner therein provided AND WHEREAS disputes and differences have arisen between the said parties as to the rate or rates to be charged under the said Agreement in respect of the supply of water to the said new buildings and other buildings and premises and as to the regulations which the Company is entitled to impose as a condition of providing and delivering the same AND WHEREAS by an Agreement made the 28th day of April 1917 between the Council of the one part and the Company of the other part it was agreed that it should be referred to us PHILIP PEEBLES and SAMUEL BENNETT NEILL both of Shanghai or in the case of our disagreement to the Judge for the time being of His Majesty's Supreme Court for China or his nominee as Umpire to award and determine the matters following, viz :—

I.—(a) On what principle is the schedule to the agreement of July 1, 1905, to be applied to consumers of water in buildings erected since the date of the said agreement?

(b) Are the rates of 3 per cent. and 4 per cent. on rentals, which the Company claims to charge as above-mentioned in accordance with such principle?

(c) If "No," what rates are chargeable by the Company in respect of water supplied to the aforesaid premises?

II. Does the said agreement include any and which of the following that is to say :—

(a) Urinals,

(b) Water-closets,

(c) Private Fire-Hydrants?

If "Yes," what rates are the Company entitled to charge for such supply?

III. Does the expression "ordinary domestic purposes" as used in Clause 5 of the said agreement include any and what supply of water (for other than trade purposes) to premises occupied as offices, and being an entire building or an entire part of a building?

IV. In the event of the Arbitrators awarding that the supply of water for any of the purposes or to any of the premises mentioned in the preceding questions is to be charged for by meter, what conditions, if any, is the Company entitled to impose as to the use of water in connexion with its use for water-closets or urinals?

AND that the costs of preparing and executing the Agreement of Reference and the costs of the Reference and Award should be in the discretion of the said Arbitrators or Umpire who might direct to and by whom and in what manner the said costs or any part thereof should be paid and tax or settle the amount of costs to be so paid or any part thereof and might award costs to be paid and between Solicitor and Client.

AND WHEREAS we have heard Counsel for both parties and have duly considered their arguments and the documents and evidence produced and adduced by them AND WHEREAS we have agreed upon our decision of 'the matter referred to us as aforesaid NOW WE THE SAID PHILIP PEEBLES AND SAMUEL BENNETT NEILL DO HEREBY award and determine as follows :—

We have experienced great difficulty in arriving at a decision due very largely to the facts (1) That the agreement of July 1905 between the Waterworks Co. and the Council is so unnecessarily vague on several very important points and that decisions which would appear from the correspondence to have been arrived at between the parties are omitted entirely from the agreement and (2) That the Schedule referred to in the agreement contains so many instances of what appears to be exceptional treatment or at least departure from any fixed rule or principle.

During the six days occupied in the hearing of the case neither party was able to throw any real light on the actual basis of the rates contained in the Schedule and the evidence given by members of the Waterworks staff as to what particular conditions were considered by the Company's Assessment Committee when rating the premises contained in the Schedule was too indefinite to be of real value. It is very unsatisfactory that an important Agreement such as that in question should have been so vague in definition and should have as one of its parts a Schedule of so unsatisfactory a nature.

Considerable argument was placed before us by both parties as to what system or systems of rating would be fair and equitable to both consumer and Company. For example : A charge based on the number and class of water fittings ; A charge based on the grouping of houses into various classes ; A charge based on the number of rooms ; but no evidence could be produced that any of these systems were in the minds of the parties at the time of making the agreement, or that such considerations had any weight with the Assessment Committee in arriving at the rates contained in the Schedule. The Schedule also gave no indication that any of these systems contained the principle underlying the rates. The submission confers no authority upon us to decide what system or systems would, in operation, prove fair and just to the Company and consumers but definitely limits us to the issue on what principle the schedule in question is to be applied to consumers

of water in buildings erected since the date of the said agreement, and we are therefore compelled to disregard all these suggested systems in arriving at our award.

Exhaustive schedules of figures based on the 1905 Municipal Rental Assessment and the rates contained in the schedule to the 1905 agreement were prepared by Mr. H. R. Sturt, F.I.A., and particulars of the occupation of the various premises in 1905 were supplied by Messrs. Algar and Ambrose. Very careful consideration of these and an inspection of the Company's Rating Book together with the evidence and arguments placed before us have enabled us to come to a decision on the various matters submitted to us.

QUESTION I.

(a) There is little or nothing between the respective contentions of the parties on this question, and we award that the principle on which the Schedule to the Agreement of July 1, 1905, is to be applied to consumers of water in buildings erected since the date of that agreement is that such consumers shall be charged at a rate and in the manner by the said Schedule determined for consumers in respect of a like supply in buildings of a like general class.

(b) We find that a charge of four per centum (4 per cent.) on the rentals of private residences having a separate and distinct supply is in accordance with the said principle. The expression "rentals" in this Award is intended to mean actual current rental or, where the owner occupies the premises, the rental as assessed for the time being by the Council for taxation. A charge of three per centum (3 per cent.) on the rentals of premises occupied as offices is not in accordance with the principle.

(c) In view of the above decision it remains to be decided in answer to question (c) what rates are chargeable in respect of premises occupied as offices and being an entire building or an entire part of a building.

It is convenient under this head to divide office premises into two classes, viz:—Buildings occupied entirely as offices (with or without godowns), and buildings containing both offices and residences each being an entire part of the building. As regards premises occupied entirely as offices, we find that the charges should be made upon the basis of consumption at the rate of 40 cents per 1,000 gallons which rate, we consider, was intended to govern all charges for ordinary domestic purposes based on consumption.

In the event therefore of the Consumer and the Company failing to agree as to the amount of such charges the Company must charge at the rate for the actual consumption to be measured by meter.

In the case of buildings containing both offices and residences, where the residential part has a separate and distinct supply, such part is chargeable in the same manner as a private residence with a separate and distinct supply at the rate above decided for such premises, i.e., 4 per cent on the rental.

Where the buildings containing both offices and residences have a common supply for the whole of the premises, then and in such case, if the rate for the portion occupied as offices is agreed upon between the Company and the Consumer concerned, the residential part shall be chargeable at the rate chargeable to private residences with a separate distinct supply, namely 4 per cent. on the rental of such part. If, however, the rate for the part occupied as offices is not agreed upon, then the whole of the premises, including the residential part, shall be charged according to the actual consumption, at the aforesaid rate of 40 cents per 1,000 gallons to be measured by meter.

QUESTION II.

(a) We find that the agreement includes urinals.

(b) It seems clear to us that the charges in the Schedule could not have been intended to cover the supply of water for water-closets there being at the date of the Agreement a published Municipal Building Regulation which purported to prohibit the use of water-closets. We find therefore that water-closets are not included in the agreement.

(c) We find that private Fire-Hydrants are not included in the agreement.

The second part of this question reads "If 'Yes,' what rates are the Company entitled to charge for such supply?"

Our opinion is that Urinals come within the meaning of the expression "Ordinary domestic purposes" and are therefore within the scope of the ordinary charges laid down in answer to Question I. The difficulty is, in our opinion, what rates are the Company entitled to charge for supply in the case of those items *not* included in the agreement (namely water-closets and private hydrants).

We cannot, in view of the form of this question, make any award covering the charges of waterclosets and private hydrants, but in the belief that our opinion is desired we venture to suggest that the charges should be at the rate of 40 cents per 1,000 gallons on the actual or estimated consumption. We further suggest that the estimated consumption should in both cases be arrived at by reference to two engineers one appointed by the Council and the other by the Company and we offer at the same time our opinion that in the case of waterclosets an allowance should be made for the water necessarily used for sanitary purposes even when waterclosets are not installed, and that in the case of hydrants the charges at present levied by the Company are excessive.

QUESTION III.

The expression "Ordinary domestic purposes" in our opinion includes any purpose of a domestic nature for which a supply of water may be used in premises occupied as offices. Further, in our opinion the expression should be deemed to include the whole supply to office premises, where the portion of the supply used for purposes other than domestic does not form a substantial part of the total supply.

It was never suggested by Counsel that the Arbitrators were required to draft a schedule of such domestic purposes, a task which the question might be read to impose, and we consider therefore that this question is adequately covered by our above findings.

QUESTION IV.

In answer to this question we find that the Company may impose any reasonable conditions as to the use of water for water-closets or urinals.

AND WE DIRECT that the costs of the day for the hearing on the 7th day of June, 1917, shall be paid by the Company AND FURTHER that the costs of preparing and executing the Agreement of Reference and (subject to the above direction as to the hearing of the 7th June) the costs of the reference from and after the date of the said Agreement of Reference including the schedule of figures prepared by Mr. Sturt and the information thereon supplied by Messrs. Ambrose and Algar and the costs of this our Award shall be borne as to two-third parts thereof by the Council, and as to one-third part thereof by the Company, the fees of one Counsel only for each party being allowed; such costs if not agreed between the parties to be settled by the Arbitrators.

IN WITNESS whereof we have hereunto set our hands this third day of July 1917.

Signed and Published by the above-named PHILIP }
PEEBLES AND SAMUEL BENNETT NEILL, in }
the presence of:

PHILIP PEEBLES,
S. B. NEILL.

ED. W. GODFREY,
3D Peking Road, Shanghai.

PUBLIC BAND.

THE BAND COMMITTEE.

The Committee at the end of 1916 consisted of :—

Messrs. F. J. Burrett
J. Johnstone
R. Lundt

At the first meeting of Council which took place in March 1917, Mr. Ed. White was appointed to the Band Committee *vice* Mr. J. Johnstone, and Mr. O. M. Green was invited to join the Committee in place of Mr. R. Lundt. At the meeting of October 29, Mr. F. J. Burrett vacated the Chair, and Mr. Ed. White was elected Chairman.

CONDUCTOR'S REPORT.

Since the date of my last report Musician Genovese died and eight European musicians left for different reasons and at the end of 1917 the Band consisted of 8 European musicians, not including one man who is engaged for the winter season only and 23 Manilamen of whom 6 were added during 1917. Authority has already been given to engage another 3 Manila musicians and the Band Committee has decided to complete the number of these musicians to a total of 30 men. A further decision of the Committee has been noted to the effect that no more European musicians will be engaged during the war.

Public Performances.—The public performances consisted of Sunday concerts and Public Dances in the Town Hall. The open air concerts began as usual after the Spring races and continued until the end of September, with performances daily in the Public Garden, the Hongkew Recreation Ground and the Public Recreation Ground. Besides these daily performances two additional concerts were given during the hot season at the Hongkew Recreation Ground and the Public Garden.

The Volunteer Corps required the services of the Band on several occasions and many engagements were filled including performances during the Races.

The Sunday Concerts have given selections from the repertory as it existed. Under the present circumstances there could hardly be a change in the way of new music but the selected repetitions have no doubt been appreciated by the visiting public.

Public Dances.—These will in future be given twice a week instead of once a week as before.

PROFESSOR RUDOLF BUCK,
Conductor.

EDUCATIONAL DEPARTMENT.

PERMANENT EDUCATION COMMITTEE.

Dr. Ivy proceeded to Canada for an extended holiday early in June, Mr. E. C. Pearce, the Council's representative, taking his place and Mr. A. S. P. White-Cooper joining the Committee as the Council's representative. The vacancy caused by the sudden death on September 14 of Mr. A. S. Wilson, elected by the Ratepayers at the Annual Meeting in March, was not filled. The constitution of the Committee at the end of the year was as follows :—

Mr. A. S. P. WHITE-COOPER, *Member of Council.*

Mr. E. C. PEARCE, *Chairman, Foreign Educational Committee.*

Mr. E. I. EZRA, *Chairman, Chinese Educational Committee.*

Rev. Dr. F. L. HAWKS POTT, *Elected at the Annual Meeting of Ratepayers.*

Dr. Hawks Pott was re-elected Chairman of the Committee and retained the chair throughout the year under review. At its meeting on October 2, a resolution of deep sympathy with Mr. A. S. Wilson's partners and relatives was passed by the Committee and its sense of loss of his valuable services was duly recorded.

Four meetings of the Committee have been held during the year.

EXPENDITURE ON EDUCATION AND GRANTS-IN-AID.

The annual inspection of Municipal Schools and of those in receipt of grants-in-aid was held in October and November.

A suggestion made by the Captain Superintendent of Police that educational facilities should be provided for Indian children met with the approval of the Permanent Education and the Foreign Educational Committees, and a scheme, drawn up by the Headmaster of the Thomas Hanbury School for Boys in collaboration with the Assistant Superintendent in charge of the Sikh Branch of the Police Force, was adopted by the Council towards the end of the year. The scheme, for which provision is made in the Budget for 1918, includes the provision of house accommodation close to the Thomas Hanbury School for Boys, and the conduct of a school therein as a separate institution with a teacher of Hindustani under the supervision of the Headmaster and staff of the Thomas Hanbury School for Boys, who will also assist with the teaching of English subjects. Arrangements for religious instruction will be made by the Granthi in charge of the Sikh Gurdwara.

ST. JOSEPH'S INSTITUTE.

Translation of letter from St. Joseph's Institution.

Shanghai, January 18, 1918.

SIR,—I have the honour to send you, herein enclosed, the accounts of our Providence Orphanage for the year 1917 with the request that you will kindly convey to the Members of Council our best thanks for the help which the Council has accorded us and which has enabled us to give refuge to a large number of children in distress.

I am, etc.,

M. DE STE. PHILOMENE,
Mother Superior.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

WORKING ACCOUNT.

RECEIPTS.

Grant : English Municipality	\$4,109.60
" French "	4,110.00
Fees received	1,140.00
Donation	968.00
Revenue of the Work-room	1,050.55
	\$11,378.15

EXPENSES.

117 pupils at \$8 per month	\$11,232.00
Location (part)	5,578.00
Washing	2,808.00
Water	160.96
Fuel and Light	444.64
Medicines	180.00
Outside Teachers (part)	288.00
Servants	251.00
Books and Stationery	165.30
Shoes	279.00
House linen and clothes	510.50
Excursions and rewards	105.00
Annual Prizes	159.90
Furniture	54.00
Whitewashing and repairs	180.00
	\$22,396.30

Expenses	\$22,396.30
Receipts	11,378.15
Difference	\$11,018.15

101 pupils entirely free of charge.

16 pupils paying on an average \$6 per month.

ST. FRANCIS XAVIER'S COLLEGE.

Shanghai, January 14, 1918.

DEAR SIR,—I have the honour to forward you, herewith, the Working Account of the Orphanage, attached to the College, for the year 1917.

197 pupils attended the Orphanage, viz. :—

Boarders :—

27 at an average pension of \$8 per month = \$2,160	} Received \$1,509
52 entirely free	

Day Scholars :—

43 at \$2 per month = \$860	} Received \$526
12 at \$1 per month = \$120	
63 entirely free	

Will you be so kind as to convey to the Chairman and Members of the Municipal Council our sincerest thanks for their generous help in the great work of the education of the poor and the orphans of Shanghai.

I remain, Dear Sir, yours very sincerely,
BROTHER NAZIANZE,
Director.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Annual Report of the Shanghai Municipal Council, 1917.

WORKING ACCOUNT.

RECEIPTS.

Municipal Grant, Tls. 2,500	\$3,447.58
<i>Fees.</i> Boarders	1,509.00
Day Scholars	526.00
Society of St. Vincent de Paul	300.00
Debit Balance	11,274.42
	<u>\$17,048.00</u>

EXPENDITURE.

Board of 69 boys at \$10 per month for 10 months	\$6,900.00
Board of 34 boys at \$10 per month for 2 months (Holidays)	680.00
Washing and Mending	1,852.00
New Clothes	415.00
Games	60.00
Medical Attendance	115.00
Medicines	30.00
Stationery and Books supplied	427.00
Fuel, Light and Water	760.00
Shoes and Boots supplied	950.00
Repairs to Premises and playground	175.00
Servants' Wages	184.00
Salaries of Teachers	4,500.00
	<u>\$17,048.00</u>

BROTHER NAZIANZE,
Director.

INSTITUTION OF THE HOLY FAMILY.

Shanghai, January 20, 1918.

SIR,—I beg to enclose herewith the Financial Statement of our Institution for the year 1917. Kindly accept an expression of our gratitude for the assistance given to us which has greatly helped us in our work. With renewed thanks.

Believe me, Sir, your obedient servant,

M. DE STE. SIMON,

Mother Superior.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

WORKING ACCOUNT.

RECEIPTS.

Grant : Tls. 1,500	\$2,067.98
School Fees, Day Scholars	1,982.00
	<u>\$4,049.98</u>

EXPENDITURE.

Salaries to Teachers	\$10,640.00
Salaries to Extra Teachers	1,779.00
Food, Boarders	4,320.00
Food, Half Boarders	1,200.00
Washing	1,080.00
Water	129.25
Lighting	319.06
Fuel	700.00
Repairing of Buildings	2,724.16
Infirmary	108.52
Linen and Clothes	1,861.84
Books and Stationery	200.04
Servants	1,038.00
	<u>\$26,069.87</u>
Loan for Buildings and Interest for the Loan	<u>\$39,486.09</u>

30 Boarders :—

9 gratis, 38 at very reduced fees,
equivalent to 21 gratis

36 Half Boarders

196 Day Scholars

81 Day Scholars at very reduced fees.

} *Gratis.*

FOREIGN EDUCATIONAL COMMITTEE.

Mr. E. C. Pearce was again chosen to serve as the Council's representative and the other members of the Committee for 1916 agreed to serve for a further year as follows :—

Mesdames BILLINGHURST

MERRIMAN

Mr. C. P. DAWSON

Dr. R. S. IVY

Mr. E. C. PEARCE

Dr. S. I. WOODBRIDGE

Upon the proposal of Mr. Pearce, seconded by Dr. Woodbridge, Dr. Ivy was re-elected Chairman of the Committee at its meeting on April 17. On May 29, Dr. Ivy tendered his resignation informing the Committee that he was leaving Shanghai for a period of about 6 months. With a view, however, of ensuring that the benefit of his valued advice and experience on educational matters should not be permanently lost to the Community, the Council invited him to continue to serve as a member of the Committee after his return to Shanghai and to this Dr. Ivy readily assented. At the meeting of the Committee held on June 19, upon the proposal of Dr. Woodbridge, seconded by Mrs. Billinghurst, Mr. E. C. Pearce was elected Chairman, and no further change took place during the rest of the year. Ten meetings of the Committee have been held during the year.

CAMBRIDGE LOCAL EXAMINATIONS.

In the regulations governing the Cambridge Local Examinations for 1917, it was announced that, in future, the Senior Certificate A of the University of Cambridge could only be obtained by pupils entered from approved schools which had been inspected either by the Syndicate, the Board of Education, or some other Inspecting Body under conditions acceptable to the Syndicate. As no system of inspection other than that carried out by the Permanent Education Committee exists in the Settlement, and as the Council's Schools are situated at too remote a distance for direct inspection by one of the Home Bodies, it was recognised that immediate action would necessarily have to be taken to ensure that pupils entered from the Council's Foreign Schools would not be debarred from obtaining the certificate in question. A suggestion by the Headmaster of the Public School for Boys that steps be taken to ascertain whether the Hongkong University would undertake such inspection and whether, in such a case, their report and approval would be accepted by the Cambridge Local Syndicate was unanimously approved and representations in this sense were addressed to both of these Educational Bodies. In reply Sir Charles Eliot, Vice-Chancellor of the Hongkong University, consented to make arrangements for the desired inspection and telegraphic advice was subsequently received from the Council's London Agents intimating the Syndicate's willingness to accept the University's report on the inspection of the schools, so as to constitute them approved schools within the meaning of the regulations for 1917. Definite arrangements for the inspection of the schools have, however, been deferred pending the receipt of further particulars from the Syndicate as to the conditions to be fulfilled to secure its approval.

PUBLIC SCHOOL FOR BOYS, HEADMASTER'S REPORT.

Attendance.—The steady growth in numbers recorded in the reports for 1915 and 1916 has been well maintained. The School closed in December 1917 with 193 names on the books, as against a total of 163 in December 1916—an increase of 30, or nearly 20 per cent.

During the period December 1914 to December 1917 the attendance has increased from 114 to 193—practically 70 per cent.

The number of new pupils admitted—73—is 13 in excess of that for the preceding year, and 20 in excess of that for 1915 : a large proportion of the new boys, it is satisfactory to note, are very young, lower-form boys.

During the year 43 boys left the school, of whom 20 left to enter employment and 14 owing to their parents leaving Shanghai.

Tables of Attendance, etc :—

TABLE A.

Attendance : Number on Roll during 1917.

Form	Jan.	Feb.	Mar.	April	May	June	Sep.	Oct.	Nov.	Dec.
VI	12	13	13	14	10	10	8	8	8	8
V	25	25	24	24	24	24	24	24	22	22
IV	29	30	30	29	30	29	28	28	28	28
III Upp.	26	24	26	27	27	28	27	29	29	29
III Low.	24	23	23	23	27	27	32	29	29	29
II	28	29	29	30	31	31	36	42	43	43
I	32	32	32	32	33	32	34	30	33	34
Total	176	176	177	179	182	181	189	190	192	193

TABLE B.

Comparative Table for 1915, 1916 and 1917.

	Total on Roll.			Percentage Present.		
	1915	1916	1917	1915	1916	1917
January	115	145	176	93	92.4	92.8
February	118	145	176	91.5	92.3	92.2
March	120	147	177	93	92.5	92.5
April	122	151	179	94.2	92.1	86.7
May	122	150	182	94	92.5	88.8
June	123	149	181	94.7	89.7	87.8
September	128	159	189	81.5	85.8	81.7
October	132	163	190	94.4	92.5	90.1
November	134	163	192	96.6	95.7	92.3
December	138	163	193	93.2	90.8	92.4

TABLE C.

New pupils admitted :—

	1915	1916	1917
January	18	13	28
February	0	2	4
March	4	5	4
April	5	6	5
May	0	3	5
June	2	1	0
September	10	22	15
October	6	7	6
November	4	0	5
December	4	1	1
Total	53	60	73

TABLE D.

Number withdrawn :—

To enter employment	20
Transferred to other schools	5
Withdrawn owing to parents leaving Shanghai	14
Withdrawn on advice of Headmaster	3
Left without reason given	1
Total	43

Health.—There were small outbreaks of Measles and Scarlet Fever in the early half of the year and the Lower School (Forms I, II, III Lower) was closed for seven days, March 7 to March 14, on account of Measles. There were then five cases in the school. During the year there were altogether 11 cases of Measles and seven of Scarlet Fever.

Apart from this the health of the school has been normal.

A careful watch is kept on the health of the school, the system in force being, briefly, as follows :—The attendance register is marked every morning and every afternoon and notices are promptly sent to the parents of all absentees, asking for the reason for absence and, if such is due to sickness, the nature of the sickness. The result of this enquiry is noted in the register and, in the case of infectious disease, proper steps are taken. The Health Officer also notifies the Headmaster of any dangerous illness among children as soon as it comes to his knowledge.

TABLE E.

	Fever.*		Mumps		Scarlet Fever		Measles		Chicken-pox.		Typhoid Fever	
	Family	Children	Family	Children	Family	Children	Family	Children	Family	Children	Family	Children
January												
February			1	1			5	7	1	2	1	1
March			2	5	1	1						
April	1	1			2	2	3	5	1	1		
May					3	4	3	5				
June	1	1										
September												
October					1	1						
November			1	1								
December												
Total	2	2	4	7	7	8	11	17	2	3	1	1

* Notified as Shanghai Fever or Dengue Fever.

Work.—The work has been in accordance with the Syllabus. As is usual, Forms VI, V and IV have worked for the Cambridge Locals Senior, Junior and Preliminary stages respectively. The Upper divisions of these forms take the examination at the end of the current year, the lower divisions prepare to take the examination in the following year, each of the last two stages of the examinations being intended to be two years beyond the preceding one. The work of the lower forms has been mainly groundwork. Congestion in I, II and III has caused heavy work to fall on the staff. This was partially remedied in III by the definite separation as distinct forms in class-rooms, of III Upper and III Lower, but towards the end of the year the same difficulty was pressing in I and II. It will be necessary to separate II Lower and II Upper and probably I Lower and I Upper at the beginning of next year. This will call for increase of staff.

The school examinations have been held as usual and the results on the whole have been encouraging.

The School is examined during each term by means of papers set week by week throughout the term instead of by end-of-term Examinations conducted in the last fortnight of the term. In this way scholars are examined in each subject at regular intervals not less than four times during the year.

Prizes are given in December on the work of the year and on the results of the Examinations; additional prizes are given for the encouragement of special studies.

Certificates of honourable mention are given to those boys whose work is judged to be almost worthy of a prize.

Many of the boys who have more recently entered the school have not been accustomed to the routine and discipline of a big school so that a period of settling-down has had to be gone through. It is for this reason that parents are urged to enter boys at as early an age as possible, say $7\frac{1}{2}$ or 8 years.

The study of languages has been receiving special consideration during the year, with the result that Chinese, Mandarin, is now a regular class subject, taught under the direct supervision of an experienced foreign languages master with a knowledge of Chinese, and a qualified Chinese Teacher. It is hoped that by means of a carefully arranged scheme of work, boys who take the school course will acquire a very fair working knowledge of the language. Arrangements are being made whereby boys may be allowed to sit for the examination held by the British Chamber of Commerce. French is also a class subject.

The complete School Syllabus of Work for 1918 may be obtained by application to the Headmaster.

The allocation of staff at the close of the year was as follows :

Staff.—

Form VI	8 boys	Average age	December 1917.	16 years	6 mos.	Form Master	Mr. Ross
V	22	"	"	15	1	" "	Mr. Hore
IV	28	"	"	14	2	" "	Mr. Hayward
Upper III	29	"	"	12	11	" "	Mr. Drake
Lower III	29	"	"	12	1	" "	Mr. Fardel
Upper II	43	"	"	11	6	" Mistress	Mrs. Garner
Lower II							Mrs. Hunter
Upper I	34	"	"	8	9	" "	Mrs. Newcomb
Lower I							
IV English Grammar and Composition VI, V, IV, III Upper, III Lower, Science VI, IV Mathematics V Trigonometry } Headmaster							

Summary :—

No. of Boys 193 }
 „ „ Forms 8 } Average Number per Form : 24.

Teaching Staff : { Headmaster
 { 8 masters and mistresses
 { 1 Chinese Teacher } Average Number per Master including Headmaster 21.5

Chinese and French are taught by the Languages Master who is included, in the figures given above, as Form Master of Form III Lower.

Conduct and Discipline.—The spirit of the school has been good. As indicated in the report for 1916 the boys themselves are encouraged to regard the honour of the school as in their keeping, and prefects and other boys are more and more realising what this means.

There is a strong and healthy public opinion in the school and it may fairly be said that the boys as a whole promise to develop into public-spirited young men.

The School Captain for the year was F. G. Green, who set an excellent example to the other boys by his work in class and by the manner in which he used his good influence whenever possible in any matter which concerned the welfare of the school and his fellow-pupils. Green has brought great credit to himself and to the school by his work, as may be seen by reference to the Cambridge Examination and other lists. As School Captain he has been well supported by the Sixth Form, Prefects, and sub-prefects throughout the school.

Cambridge List, Scholarships, Bursaries and Prizes:—

The results of the Cambridge Local Examination held in December 1916 were received in May and are as follows.

Senior (under 19)

Honours, Class III

Davie, R. Mark of Distinction in Book-keeping.

Pass (under 19)

Ferguson, J. M.

Goldman, A. P.

Haimovitch, H. Mark of Distinction in Shorthand.

Moses, L. Mark of Distinction in Book-keeping.

Junior (under 16)

Honours, Class II

Green, F. G.

MacLennan, W. M., Mark of Distinction in Science and Mensuration and Surveying.

Pass (under 16)

Madar, C.

Marshall, G. E.

Nash, H. H.

(over 16)

Minsky, E.

Nissim, N. F.

Ollerdussen, F. C. H.

Whitgob, Henry

Preliminary (under 14)

Honours, Class I

Motabhoy, A. T. Mark of Distinction in Algebra.

Honours, Class II

Madar, P. Mark of Distinction in Algebra.

Moosa, M. Mark of Distinction in Algebra and Geometry.

Honours, Class III

Soyka, C. Mark of Distinction in Algebra and Geometry.

Pass (under 14)

Jenssen, A. M.

Viloudaki, R. G.

Weill, F. L.

White, H. A.

Zellensky, L.

Summary

	Senior	Junior	Preliminary	Total
Candidates entered :	8	10	13	31
„ passed :	5	9	9	23
Honours gained :	1 (Class III)	2 (Class II)	4 (1 Class I) (2 Class II) (1 Class III)	7 (1 Class I) (4 Class II) (2 Class III)
Marks of Distinction	3	2	6	11

For purposes of comparison it may be noted that 74% of the candidates entered from the school were successful and 30% gained honours.

There were entered for the Examination in December 1917 :—

Senior	1
Junior	9
Preliminary	22
Total	32

This examination unfortunately did not take place, owing to the fact that the question papers from Cambridge did not arrive in time.

It is possible that arrangements will be made to enable the candidates to sit for an examination during 1918.

Speech Day.—Owing to the late arrival of the prizes and certificates the Speech Day and Exhibition of Work will be postponed until early next year.

Games, Athletics and Recreation.—Football : The League results are as follows :—

	Played	Won	Lost	Drawn	Goals		League	
					for	against	points	position
1st XI	18	6	8	4	26	55	16	3
Juniors (under 15)	15	9	4	2	53	16	20	2
Midgets (under 12)	10	7	2	1	30	13	15	2

The three teams named played in the three divisions of the Shanghai Schools League, in competition with the other schools in Shanghai.

There were numerous inter-form and other games, as well as the matches of the newly-formed Inter-district League.

For this series of games the boys in the school are grouped into four lots according to place of residence. The boys in each lot are then divided, according to size and age, into three divisions from which teams are picked to play teams from corresponding divisions of other groups. There are thus seven divisions to the league, enabling boys of a size to play together. Rules are made to ensure that all boys play regularly in rotation.

The very small boys receive careful instruction and supervision and enter keenly into the games.

Cricket.—The cricket season is a very short one. Unfavourable weather and the incidence of the school holidays combine to reduce the season usually to but five or six weeks. In this time however the boys practise keenly and enjoy inter-form and inter-school matches. The annual match against the Holy Trinity Cathedral School was played on June 29 and ended in a win for the Public School as shewn below :—

	1st Innings Score	2nd Innings Score	Total
Shanghai Public School	62	70	132
Holy Trinity Cathedral School	40	44	84

This annual game is one of the most enjoyable school functions of the year. The cricket steadily improves and the good feeling existing between the two schools is well illustrated by the excellent spirit of sportsmanship which prevails on the occasion of the annual cricket match.

It is hoped that there will be established a corresponding football match.

Basket Ball.—Several inter-form matches were played. The games fill a very good place in providing exercise and amusement on wet days, as it can then be played in the School Hall.

Swimming.—A high standard exists among the boys of the school in swimming. Several boys distinguished themselves at the galas held in Shanghai during the year. The most notable performance was that of J. Brown, aged 15, who on September 15 was placed second to Mr. R. W. McCabe in the long distance swim from the Bund to the Point, a distance of $5\frac{1}{2}$ miles in 1 hour 15 min. 32 sec.

Paper Chases.—Several chases have been run, some for the whole school, others for sections only. All have been well attended.

A word of appreciation is due to members of the staff and to senior boys for the help and time given in supervising games of all kinds. With nearly 200 boys in the school, the successful management of games is no small matter, and it is only by the help given that it is able to be accomplished.

Library.—The boys continue to make good use of the library. The room itself is being furnished with a view to making it as much as possible a reading-room and sitting-room for senior boys.

Tables for chess and draughts are provided and a number of periodicals are taken regularly and kept on the tables.

The School Baden-Powell Scouts.—The School Troop of Baden-Powell Scouts have had a very successful year. Originally a section of two patrols and about 15 strong, they are now a troop with four patrols, numbering 40.

Many badges have been won during the year, and there are five King's Scouts. Recently, in competition with the other Baden-Powell Troops in the Settlement, the School Troop succeeded in winning Marksmanship Trophy.

Some successful camps have been held during 1917, but the Scouts feel the loss of the ground at Unkaza.

The troop is under the able management of Scoutmaster S. Hore who gives generously of his limited leisure time to the boys. It is entirely due to Mr. Hore and the loyal help of the senior boys that the troop is so successful, and the good effects of scouting on the boys can scarcely be exaggerated.

The school troop is now a very valuable part of the life of the school.

The School Baden-Powell Wolf Cubs.—The year began with two patrols and about twenty cubs. The first Inter-Pack Competition for all school packs in Shanghai was held at the Public School in January, and was a very successful function. The Public School Team B. (P. L. Petersen) was placed 1st, Public School Team A. (P. L. Martin) 3rd.

The second Competition was held in June at the Cathedral School. The Public School Team A. (P. L. Noblston) was placed 1st, Public School Team B. (P. L. Petersen) 2nd.

In September the new regulations from England were adopted for the whole pack, and the patrols were divided up into Sixes, each with a leader. In November a large number of cubs admitted during the year were sworn in by S.-M. Hore, and the stars won were given by S. M. Etheridge. P. L. Noblston is the first cub in Shanghai to gain two stars. He has since earned two badges, Signallers' and Team Players'. The pack now numbers over thirty cubs, who are very keen and much interested in their work.

General.—The past year has been one of much growth and development in the school and of marked success among the scholars.

The Cambridge List was better than all previous ones, and all open scholarships, bursaries and prizes, for which candidates from the school have been eligible to compete, have been won by boys of the school.

The year closes with 193 boys on the books, the building as it stands was designed to accommodate 250, so that, if the present rate of increase in numbers is maintained, and there seems to be every likelihood that it will be, the time for extension is not far distant.

G. M. BILLINGS,
Headmaster.

PUBLIC SCHOOL FOR GIRLS (WESTERN DISTRICT).

In June 1916, a petition was addressed to the Council by certain ratepayers and residents in the Western District requesting the establishment in that District of a school for girls and a kindergarten. This petition received the unanimous support of the Permanent Education and Foreign Educational Committees upon whose recommendation provision for the purchase of a suitable site was included in the Budget for 1917 (*vide* the Report for 1916, page 136A) and a piece of land for the erection of the new school has since been purchased, details in regard to which will be found under Municipal Properties.

To provide for the continuance of educational facilities for girls and small boys in the Western District, pending the erection of the new school, the transfer to the Council of the High School and Kindergarten, situated at 88 Avenue Road, was arranged in terms of the following correspondence. The Council assumed control of the premises on August 6, and re-opened them on September 13 as a branch of the Public School for Girls for the reception of girls under 12 years of age and boys under 8. For 1918 the age limit for girls has been raised to 14 and it is the intention to raise it still further as time goes on. The Council notes with satisfaction that the number of pupils attending the school at the end of the year was 80.

Shanghai, February 20, 1917.

DEAR SIR,—At the interview on January 24, which the Chairman of the Municipal Council kindly granted to Dr. H. C. Patrick and myself as members of and representing the Committee of this School, the Chairman suggested that the Committee should forward to you a letter for submission to the Council. This I am now authorized to do as follows:—

In view of the recommendation of the Council, embodied in its Annual Report just issued, for the purchase of a site in the Western district for the erection of a public school for girls, it is thought that it would be expedient for the Council to take over the Shanghai High School and use it as a Western District public school until the proposed new school is built and available for use. The Committee, therefore, hereby submits its proposal that the Council should take over the High School from the Committee as a going concern.

The Shanghai High School and Kindergarten was established 9 years ago, and during that period has met the needs of the public in the Western District in respect of the education of girls generally and of boys under the age of ten, as successfully as could possibly be expected from an unaided school in Shanghai. Its present premises at 88 Avenue Road, which comprise 5 mow of ground, are held on a lease for three years ending February 14, 1918, at a monthly rental of Tls. 120, with an option of renewal for a further period of three years on the same terms. These premises are well adapted for the purposes of a school, being light, airy and healthy, most suitably located, and with ample space for outdoor games and recreation.

The Committee has spent a large sum in adapting and equipping the present premises for the purposes of a good school.

For the last three years the school has had an average of over 100 pupils. Since the beginning of this year, however, owing apparently to reports as to the uncertainty of the School being continued, the number of pupils has fallen to slightly under 80. The petition to the Council for the establishment of a public school for girls in the Western District naturally contributed to this uncertainty and also to some unsettling of the teaching staff. The Committee, however, felt it to be its duty to engage, which it recently did, two new qualified teachers, and the teaching staff is now most complete, as the accompanying statement shows.

The School Committee and its friends have on previous occasions when necessary, made good any financial deficit which has arisen. During the past two years, however, the increases in rent and salaries, together with the cost of adapting the present premises, have brought about a financial position which, if the Council were not prepared to take over the School, would confront the Committee with the question of appealing to the Community for funds to endow the school permanently as the only alternative to depriving the Western District of educational facilities for the considerable period required before the proposed Public School could be made available. Should the Committee have to make such an appeal, it would naturally not welcome the establishment of another school in the same district.

The accompanying statement, which is sent at the request of the Chairman of the Council, gives information respecting the fees charged to the pupils, and also a list of the teaching staff with particulars of their agreements.

I shall be glad to furnish any further information as to the working of the School which the Council may require.

The favour of the Council's early reply would be esteemed by the Committee.

I am, Dear Sir, yours faithfully,

A. H. MANCELL,

Honorary Secretary, High School Committee.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

HIGH SCHOOL AND KINDERGARTEN.
STATEMENT.

School Fees charged to pupils.

Section 1	\$55	per term
" 2	40	"
" 3	35	"

Present teaching staff, the arrangements with whom all terminate at June 30, 1917.

Head Mistress: Miss Fraser, B.A., B.Sc.

Assistants:—Miss Elwin, Senior and Junior Oxford Certificate.

Miss Radcliffe, Certificate National Froebel Union.

Miss Knight, Hongkong Government Training School Certificate.

Madame Le Petit (French).

Miss Wheen, Cambridge Senior and Junior Certificate.

Miss Craddock.

Mrs. Frost (Drawing).

Special arrangements also exist, depending on the number of pupils, as regards the following extra subjects:—
Music, with Mrs. Powell.
Dancing, with Miss Sharp.

Council Room, Shanghai, April 2, 1917.

SIR,—I am directed to refer to the suggestion contained in your letter of February 20 that the Council should, as a temporary expedient, take over the High School at No. 88 Avenue Road to provide for the continuance of educational facilities for girls and small children in the Western District until the construction and opening of the Council's new school for girls in that district.

As you may have noted from the remarks made by the Chairman of the Council at the Annual Meeting of Rate-payers on March 21, the suggestion commends itself to the Council, but, before any definite decision can be reached, exhaustive consideration of the various financial and administrative questions involved will be required. To this end I am directed to request you kindly to furnish the Headmistress of the Public School for Girls with such information and to extend to her such facilities for inspection of the school premises as she may desire, and to inquire whether an opportunity for inspection can also be afforded to members of the Educational Committee.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. H. MANCELL, Esq.,
Honorary Secretary, High School Committee.

Shanghai, April 4, 1917.

DEAR SIR,—I beg to acknowledge receipt of your letter of the 2nd instant in answer to my letter of February 20.

I shall be pleased to furnish the Headmistress of the Public School for Girls with such information as to the affairs of the School which she may require and also extend to her every facility for inspection of the school premises.

The Committee will also welcome an inspection of the School by members of the Educational Committee and for this purpose will you please let me know a date that will be convenient to the members.

Yours faithfully,
A. H. MANCELL,
Honorary Secretary, High School Committee.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, April 26, 1917.

SIR,—Your letter of April 16 addressed to Dr. Ivy, enclosing a copy of the High School balance sheet at March 31 was submitted to and considered by the Foreign Educational Committee at its meeting on April 17. It seems that your Committee, when submitting its original proposal, that the Council should take over the school as a "going concern," intended thereby that the Council should assume responsibility for the deficit of \$5,000 which is disclosed by the balance sheet and that the expression "going concern" was not intended merely to mean, as was thought to be the case, that the school should be carried on by the Council without interruption.

As there would be no justification, in the Committee's opinion, for recommending assumption of this liability by the Council, I am directed in the first place to enquire whether its assumption is a condition of the transfer and to inform you that, if such is the case, it is regretted that the proposal cannot be further considered.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. H. MANCELL, Esq.,
Honorary Secretary, High School Committee.

Shanghai, May 12, 1917.

DEAR SIR,—After consideration of your letter dated 26th ultimo my Committee fears that, as its contents do not agree with the impressions conveyed by the Chairman of Council to Dr. Patrick and myself prior to the last Ratepayers' Meeting and by Dr. Ivy when he visited the School on April 6, the letter must be the outcome of some misapprehension.

The figures mentioned in January last to Mr. Pearce, and in April to Dr. Ivy, have naturally changed since. Should the Council take over the school as from 1st instant, the only liability it would be called upon to accept would be an overdraft of \$6,447.45, as per enclosed certificate of the Hongkong & Shanghai Bank. Against that overdraft the Council would obtain :—

(1) School furniture and equipment (including piano)	\$1,167
(2) Improvements of buildings and ground (amount expended by Committee)	1,835
	\$3,002

The net initial outlay would thus be the difference of \$3,445. As against this should be set the advantageous lease which the Committee would hand over to the Council in respect of the School building and grounds; with the option which this lease contains of renewal for three years at the present rental of Tls. 120 per month, the Council, if it so desired could have practically four years' tenancy at this low figure. It might thus find it convenient to defer the purchase of a site and the erection of a school building and so save interest of probably not less than Tls. 7,000 per annum. On the other hand, if a site were acquired and a new building erected, the present premises could be readily sublet as a residence at a higher rental.

The amount outstanding on April 30, of the fees (quarterly) to June 30, less all outstanding liabilities at April 30, except Bank overdraft, is estimated at \$1,100 and the Committee would undertake to collect the same and hand over to the Council the amount so received.

If the position were even less satisfactory than is disclosed by the foregoing figures, it would appear that the Council would still be warranted in taking over the school, on the basis proposed, for the reason that the present position of the school is attributable mainly to the disturbing influences of the movement (commenced in the Spring of 1916) for the establishment, in the Western District, of a Public School for Girls and the consequent reflections thereby implied on the efficiency of the High School, resulting in the withdrawal of pupils. Even since the suggestion was made to the Chairman of the Council on January 20 last that the school might be taken over by the Council, a deficit of over \$1,500 (included in the foregoing figures) has accrued.

The books of account are available for examination by the Council's representative, if desired, as is also the lease of the school premises; and would be handed over with the School.

The School Committee is ready, if desired, to meet the Foreign Educational Committee in order to discuss the matter further.

Yours faithfully,

A. H. MANCELL,

Honorary Secretary, High School Committee.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, May 31, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of May 12, further on the subject of the proposed transfer of the High School to the Council.

Dealing seriatim with the several points to which you refer I am directed to reply as follows :—

1.—My letter of April 26 was not the outcome of any misapprehension.

2.—It is noted that it is now suggested that the Council should take over the school retrospectively from May 1 instead of from the end of the summer term as was originally indicated. It is also noted that the value of the building improvements which is set off against the overdraft on April 30 is stated at \$1,835, though in the balance sheet at March 31 approximately \$1,000 had been written off this amount.

3.—It is fully recognized that the rent of the school premises, Tls. 120 per mensem, is a very low one: a fair rental the Council is advised, would be Tls. 145 per mensem.

4.—The excess of fees to June 30 over liabilities to April 30 is, it is observed, estimated at \$1,000. Inasmuch, however, as different dates are adopted for the calculation of fees and liabilities this figure means little, for it is apparent that the excess cannot possibly meet more than a small fraction of the expenses of carrying on the school to June 30.

5.—The present position of the school is, it is noted, attributed mainly to the disturbing influences of the movement in 1916 for the establishment of a public school for girls in the Western District, but the inference that the Committee and the Council are responsible therefor is quite undeserved. Although these influences may have increased the misfortunes of the school, that is no reason why the Council should now be called upon to bear the burden.

After the most careful consideration of all the circumstances and of the arguments adduced in favour of the assumption by the Council of responsibility for the school deficit, which, it is understood, is now \$9,000, the Committee unanimously endorses the view, which was communicated to you in my letter of April 26, that there would be no justification for recommending its assumption by the Council. With a view, however, to continuing educational facilities in the Western District, the Committee is prepared to recommend the Council to take over the school premises from your Committee from

the close of the summer term on a sub-lease at a monthly rental of Tls. 145 with the option of renewal for three years from expiry of the lease in February 1918, and also to acquire the school assets and to pay for all improvements effected at a reasonable valuation.

In communicating this decision to you, I am directed to express the willingness of the Foreign Educational Committee to meet your Committee for further discussion should you consider that any good purpose might be served thereby.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. H. MANCELL, Esq.,
Honorary Secretary, High School Committee.

Council Room, Shanghai, June 22, 1917.

SIR,—I am directed to inform you that after careful consideration of the views expressed by Dr. Patrick and yourself at your meeting with the Foreign Educational Committee on June 19, the Council is in unanimous agreement that its assumption of responsibility for the High School overdraft would not be justified. The Council has, however, agreed to take over the school premises upon the terms recommended by the Foreign Educational Committee and set out in my letter to you of May 31.

As Dr. Patrick stated that your Committee would accept these terms, I am directed to request you kindly to submit a draft of the lease for the Council's consideration and to arrange for the school premises to be handed over to the Council on June 30 or so soon thereafter as may be convenient, when an inventory and valuation of the furniture and fittings and an estimate of the value of the building improvements effected will be made by the Municipal Engineer. To facilitate the transfer Miss Patterson, Headmistress of the Public School for Girls, has been directed to communicate with you and make such arrangements as may be requisite.

In conclusion, I am directed to inform you that the Council will be pleased to consider applications from those of the present staff of the school who may desire appointment to the Council's educational staff.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. H. MANCELL, Esq.,
Honorary Secretary, High School Committee.

Council Room, Shanghai, July 11, 1917.

SIR,—I am directed to refer to my letter of June 22 on the subject of the transfer of the High School to the Council and to send you herein enclosed copy of the Municipal Engineer's valuation of furniture, fittings, school requisites and building improvements amounting to a total of \$2,399.

I am directed to request you kindly to obtain your Committee's agreement with this valuation so that payment may be authorised and the arrangements for the transfer of the school completed.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

A. H. MANCELL, Esq.,
Honorary Secretary, High School Committee.

Shanghai, July 18, 1917.

DEAR SIR,—In reference to your letter of May 31, the Meeting of the Foreign Educational Committee attended by Dr. Patrick and myself on June 19, and your letter dated June 22, my Committee wishes me to reply as follows:—

In explanation of my Committee's suggestion that your letter of April 26 appeared to be the outcome of some misapprehension the following occurrences are recorded. At the Meeting which Dr. Patrick and I had with the Council's Chairman on January 24, we stated that the School bank overdraft was then \$6,000, which, it was requested, the Council should take over with the School as a going concern. Before the Ratepayers' Meeting, Dr. Patrick saw the Chairman of Council and was informed by him that the acquisition of the School (including its deficit as above-mentioned) would be recommended. On this understanding Dr. Patrick withdrew his proposal to move an amendment to the Budget that the passing of the amount included therein for the acquisition of a site for a Public School for Girls in the Western District be subject to the High School being taken over by the Council as above-mentioned. Further, when the Chairman of the Educational Committee visited the School by appointment on April 6, he said that the Council had finally settled to take over the School, that the then overdraft of \$7,000 would be taken over by the Council, but not any other liability. On the previous evening and also on April 30 he had informed Dr. Patrick that the overdraft would be taken over by the Council and that there was, in his opinion, a moral obligation on the Council to do so, taking into consideration the fact that the School had been conducted solely in the interests of the public by a Committee which was doing what the Council might reasonably have been expected to have done. These occurrences do not appear to have been properly recognised by the Educational Committee or the Council—hence the "misapprehension" as it seems to my Committee.

No suggestion has been made by my Committee during the course of the negotiations that the School might be taken over by the Council from the end of the summer term. On the contrary, at the outset of the verbal negotiations, it was

suggested that it was desirable to take over the School at the earliest date possible in view of the disturbance to its reputation and working which was taking place as a result of the movement to establish a Public School in the same district.

Regarding the value of the Building Improvements, \$1,835.54 is the amount expended by the Committee. The partial writing off referred to by you had been done merely for the private estimates of the Committee and did not in any way affect the value of the Building Improvements to a purchaser; as a matter of fact, they would cost, if carried out now, considerably more than they did when executed. With regard to these improvements, and the suggestion in your letter that their value be estimated by the Municipal Engineer, I am desired to point out that it would be very difficult for anyone to do this who did not know the conditions of the premises and grounds before the work was carried out.

The amount of \$9,000, referred to in the closing paragraph of your letter as the then School deficit is quite erroneous as will be seen by reference to my letter to you of May 12.

The High School and Kindergarten has not been conducted by its Committee as a private School, but solely in the public interest to meet the demand for English education of girls and small boys in the Western District. The Committee more than once, in the earlier years, made good deficits, and these were never repaid out of any subsequent surplus. On the contrary, when, a year or two ago, there was a surplus of some \$2,000 from the working of the School, this was all expended in equipping and improving the larger premises and grounds which had been acquired to accommodate the growing number of pupils. In the absence of a school provided by the Council, the High School Committee had been meeting the educational needs of the district as far as it could—a work which, judging by the decision to establish a Public School for Girls in the Western District, should really have been performed by the Council, with the aid of public funds.

Having regard to the foregoing and to the fact that the School was, until comparatively recently, clearing its way, it was felt that the Council was justified in taking over the School as a going concern with all its assets and liabilities. Otherwise the position would be that the action in arranging to establish a Public School would be seriously to damage the High School and involve the few private individuals responsible for it in considerable loss. My Committee approached the Council in January 1917, to take over the High School and, as explained, was given to understand before the last Ratepayers' Meeting, that the Municipal Council had decided to take it over on the terms proposed by the Committee, and they accepted this statement as one on which they could rely.

With regard to your suggestion that, although the deficit of the School may have been increased by the movement for the establishment of a Public School for Girls in the Western District, "that is no reason why the Council should now be called upon to bear the burden," it is evident from the first two signatories to the petition for a Public School for Girls in the Western District that the Council and the Educational Committee were not unconnected with the movement. It is hoped that the Council will agree, on reconsideration, that there are adequate grounds for its accepting, if not the whole of the deficit as understood by my Committee to have been the Council's intention, at least the loss of revenue attributable to the disturbance caused by the above-mentioned movement for the six months commencing January 1917, during which the transfer of the School was under negotiation with the Council. That loss is very simply arrived at thus:—

Half Year ended	Average number of pupils
June 1916,	107
June 1917,	69
	38

Average fee per pupil per quarter \$45 × 2 quarters × 38 pupils = \$3,420.

For the half year ending June 1917, the School expenditure necessarily remained on the basis required for the former much larger number of pupils, in respect of which the staff agreements had been arranged.

I stated at the Meeting with the Educational Committee on June 19, that acceptance of the offers made in the Council's letter of May 31 would have to be subject to an appeal to the Ratepayers for the balance of the loss, *i.e.*, the inclusion of the amount in the budget for next year. If, however, the Council is now prepared, on verification of the books of the School, to accept responsibility for the above-mentioned loss of revenue during the six months ended June 1917, in addition to paying the Committee the value of the furniture and fittings, etc., and the cost of the improvements to the buildings and grounds, the School Committee will make itself responsible for all other liabilities of the School, and will withdraw the above-mentioned proviso made by me.

Copy of the lease of the School premises is enclosed.

I am, Dear Sir, yours faithfully,

A. H. MANCELL,

Honorary Secretary, High School Committee.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, July 28, 1917.

SIR,—I am directed to acknowledge the receipt of your letters of July 18 and 20, the former reverting to the question of the High School deficit and the latter dealing with the question of the amount payable by the Council as compensation for structural alterations, furniture and sundries on transfer of the school to the Council.

In reply thereto I am directed to inform you that the Foreign Educational Committee remains of the opinion, communicated to you in the Council's letters of April 26, May 31 and June 22, that no part of this deficit should be defrayed from the public funds.

With reference to the question of reimbursement of the cost of alterations, furniture, etc., I am directed to state that the amount payable under the item for structural alterations will be increased, as suggested, so that the sum payable will be a total of \$3,899, made up as follows:—

Furniture and Sundries	\$2,099
Structural Alterations	1,800
	\$3,899

If the Committee of the High School desires that the Council shall take over the School on these terms, I am directed to request that you will communicate a formal acceptance thereof, whereafter arrangements may be concluded for the transfer.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

A. H. MANCELL, Esq.,
Honorary Secretary, High School Committee.

Shanghai, July 31, 1917.

DEAR SIR,—Your letter of 28th instant has been considered by my Committee, which is agreeable to hand over the School to the Council on payment of the sum of \$3,899 mentioned in your letter, subject to the Council agreeing not to oppose a resolution to be put forward at the next Ratepayers' Meeting for the inclusion in the Budget for 1918 of the amount of \$3,420 representing loss of fees for six months ended June 30, 1917, due to the movement for the establishment of a Public School for Girls in the Western District, particulars of which amount were given on page 4 of my letter to you of 18th instant.

In accordance with your letter dated May 31, the School premises are to be sublet by my Committee to the Council at a monthly rental of Taels 145 (the Council paying the taxes) with the option of renewal for three years from expiry of the lease in February 1918. Copy of the lease was sent to you on the 18th instant.

I am, Dear Sir, yours faithfully,
A. H. MANCELL,
Honorary Secretary, High School Committee.

E. S. B. ROWE, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, August 3, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of July 31, wherefrom it is noted that your Committee propose to hand over the High School on payment of the sum stated in my letter of July 28, subject, however, to the proviso that the Council shall not oppose a resolution concerning the amount of the deficit to be put forward at the next Ratepayers' Meeting.

In reply I am directed to inform you that there is no objection whatever to the course you propose but, since the Council adheres to the view that reimbursement of the deficit resulting from the past working of the School is not properly a charge upon the public funds, it follows that no undertaking can be given that the reasons of principle underlying this decision will not be reaffirmed and amplified if and when this question becomes a subject of consideration by the Ratepayers.

If, upon this understanding, your Committee is desirous that the Council shall assume immediate administration of the School, I am directed to request that you will advise me as to the date upon which it is desired the transfer shall take place.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

A. H. MANCELL, Esq.,
Honorary Secretary, High School Committee.

Shanghai, August 3, 1917.

DEAR SIR,—I beg to acknowledge receipt of your letter of this date and in reply to the same to inform you as follows:

Your statement that we ask for the reimbursement of the deficit resulting from the past working of the School is erroneous. Reference to my letter of July 31 will show that the loss of school fees for the six months ending June 30, 1917, due to the movement for the establishment of a Public School for Girls in the Western District and amounting to \$3,420, formed the sole basis of our request for reimbursement.

My Committee notes the present views of the Council as stated in your letter, but hopes that between now and the occurrence of the next Ratepayers' Meeting the reasonableness of its request will have become apparent to the members of the Foreign Educational Committee and the Council.

On behalf of and with the authority of the School Committee, I now definitely accept the Council's offer and in accordance with the same will ask you to be good enough to send me a cheque for \$3,899 in payment of the furniture, building improvements, etc., and a cheque for Tls. 145 being rent of the School premises for July 1917.

As arranged by telephone to-day, it is agreed that the Council will take charge of the School premises, 88 Avenue Road on Monday, August 6 next, its sub-lease commencing July 1, 1917.

I am, Dear Sir, yours faithfully,

A. H. MANCELL,

Honorary Secretary, High School Committee.

E. S. B. ROWE, Esq.,

Assistant Secretary, Municipal Council.

PUBLIC SCHOOL FOR GIRLS, HEADMISTRESS'S REPORT.

The opening of the additional schools at 24 Kungping Road and 88 Avenue Road has raised the numbers in attendance from 199 to 334 an increase of more than 65%.

In January ten children were transferred from 28 Boone Road to 24 Kungping Road, and in September fourteen were transferred to Avenue Road. Yet the numbers at the parent school are now 209 against 199 at the end of last year.

TABLE A.

Attendance: Number on Roll during 1917.

Form	Jan.		Feb.		Mar.		Apr.		May		June		Sep.			Oct.			Nov.			Dec.		
		E.		E.		E.		E.		E.		E.		E.	W.		E.	W.		E.	W.		E.	W.
VI.	5		6		6		5		5		6		6			6			6			6		
V.	17		18		18		18		18		18		16			16			16			16		
IV.	22		22		22		22		22		22		22			21			20			20		
III.	38		38		38		38		38		38		35	5	34		10	33		9	33		9	
II.	24		24		24		24		24		24		21	7	24		10	24		11	24		12	
I.	19		20		21		21		21		20		18	17	20		20	20		22	21		22	
U.T.	24	18	24	18	24	19	24	17	24	14	23	14	25	15		27	16		28	14		27	13	
L.T.	23	13	26	13	26	13	25	15	24	19	23	18	21	17	9	22	20	18	25	20	18	25	20	18
K.G.	15	14	18	13	21	17	20	17	23	18	20	16	27	6	12	36	12	15	37	12	20	37	12	19
Total	187	45	196	44	200	49	197	49	199	51	194	48	192	38	50	206	48	73	209	46	80	209	45	80
Grand Total	232		240		249		246		250		242		280			327			335			334		

E.=Preparatory School in the Eastern District

W.= Do. Do. Western District

TABLE B.

Comparative Table for 1915, 1916 and 1917.

	Total on Roll		
	1915	1916	1917
January	161	179	232
February	163	182	240
March	167	181	249
April	167	187	246
May	167	187	250
June	164	176	242
September	185	194	280
October	191	197	327
November	194	199	335
December	193	198	334

TABLE C.

New pupils admitted :—

	1915	1916	1917
January	15	11	50
February	4	4	12
March	4	3	10
April	4	7	4
May	2	1	5
June	0	0	1
September	30	39	62
October	8	5	42
November	4	5	15
December	3	0	0
Total	74	75	201

Health.—Throughout the year four sporadic cases of Scarlet fever occurred, of which none were fatal. The Western District School suffered from an outbreak of mumps in December, and, by the Health Officer's advice, was closed a week earlier for the Christmas holidays. With these exceptions the health of the school has been satisfactory.

The *work* of the school has gone forward without any interruption except the re-arrangements of the staff for the opening of the branch schools.

STAFF ALLOCATION.

SPRING AND SUMMER TERMS.

Form	28 Boone Road	24 Kungping Road
VI.	Mrs. Murray	
V.		
IV.		
III.		
II.		
I.		
U.T.	Miss Stevens	Miss Samson and two Students
L.T.	Student	
K.G.	Miss Ware	

Special subjects :—

Miss Cardwell.	Drawing and Shorthand
Miss Astill	Pianoforte
Miss Hoodless	French and German
Miss Newbery	Cookery

AUTUMN TERM.

Form	Av. Age	28 Boone Road	Nos.	24 Kungping Road	Nos.	88 Avenue Road	Nos.
VI }	17	Mrs. Murray	6				
V }	16		17				
IV	14	Miss Simon	20			Miss Bucklar	9
III	12	Miss Hoodless	34				
II	11	Mrs. Garwood	24				
I	9	Miss Graham	20				
U.T.	7	Miss Stevens	28				
L.T.	6	Miss Balcan	22	Mrs. Kirk and two Students	14 20	Miss Knight Miss Hutchison	12 22
K.G.	5	Miss Rasmussen	36				
						Miss Ware and Student	21 21

Special subjects:—

Miss Cardwell	Drawing and Shorthand
Miss Astill	Pianoforte
Miss Newbery	Cookery
Madame Lepetit	French

Conduct and discipline are showing marked improvement year by year.

The School Captain for the year was Miss Ada Remedios, the fourth member of a family, the first of whom entered the school in 1901 and whose conduct and work have always been exemplary.

Cambridge Local Examination.—The results of the examination held in December 1916 are as follows:—

	Candidates entered	5
	Successful	4
	Marks of Distinction gained	3
Senior:—	Pass (under 19)	
	Margaret Bojeson	
Junior:—	Pass (under 16)	
	R. Lewis	
	W. Pearson	
	D. Whyne	Mark of Distinction in Religious Knowledge.

National Froebel Union Examination.—

Miss A. M. Manning passed in Drawing and Handwork (Part II—Higher Certificate).

Miss F. MacGregor passed with Distinction in one subject, First Class in two subjects, and Second Class in one subject. (Part I.—Higher Certificate).

Speech Day and Exhibition of Handwork.—The Annual Speech Day was held on February 27 in the School Gymnasium. The presentation of prizes was made by Mrs. Billingham.

The opportunity of that day and the following was taken to hold an exhibition of Handwork, at which Cookery was a new class of exhibits.

Athletics and Games.—The appointment of Miss Graham as Gymnastic Mistress gave a great impetus to all sorts of Physical Exercises. "Ribstools" has been added to the furniture of the Gymnasium.

General.—Form IV class room has been re-furnished.

J. PATTERSON,
Headmistress.

THOMAS HANBURY SCHOOL FOR BOYS, HEADMASTER'S REPORT.

Attendance.—The numbers on roll from month to month continue to be fairly uniform as a whole, the differences in detail are due in large measure to business openings which present features sufficiently attractive to take the elder boys from school. The demand for lads able to undertake office work is greater than the present supply. This fact is well illustrated by the figures which show how difficult it was to keep our Senior classes together for the Cambridge Local Examinations held in December.

	January	April	June	December
Junior	7	4	2	1
Preliminary	20	18	7	7

In addition to the numbers quoted below in the Tables there are at the end of the year 3 working lads resident.

TABLE A.

Attendance : Number on Roll during 1917.

Form	Jan.	Feb.	Mar.	Apr.	May	June	Sept.	Oct.	Nov.	Dec.
VI	7	6	1	4	4	3	9	9	9	9
V	19	18	23	25	21	22	10	10	9	9
IVa	14	14								
IVb	12	21	35	27	27	27	31	31	28	29
English a)	22	27	31	37	34	33	36	35	36	37
" b)										
IIIa	27	29	29	30	28	29	16	17	17	18
IIIb	22	24	24	22	23	23	20	20	18	18
II	13	14	15	13	13	16	16	16	16	16
I	13	14	14	17	18	15	16	17	16	16
Total	149	167	172	175	168	168	154	155	149	152

TABLE B.

Comparative Table for 1915, 1916 and 1917.

	Total on Roll			Percentage Present		
	1915	1916	1917	1915	1916	1917
January	143	162	149	97	95	95
February	148	158	167	95	94.3	91
March	149	157	172	95.3	94.2	95
April	154	157	175	96	87.2	96
May	158	159	168	87	93.2	94
June	156	156	168	82.6	84.6	91
September	170	149	154	91	90.6	91
October	174	150	155	92	96	95
November	172	152	153	91.2	96.6	96.7
December	171	152	152	90.6	94.7	95.4

TABLE C.

New pupils admitted :—

	1915	1916	1917
January	9	6	15
February	5	3	15
March	6	7	6
April	7	4	13
May	6	5	2
June	0	2	3
July	1	0	4
August	2	13	3
September	24	18	15
October	13	5	4
November	7	4	2
December	3	0	2
Total	83	67	84

TABLE D.

Number withdrawn :—

To enter employment	36
Transferred to other schools	15
Withdrawn owing to parents leaving Shanghai	11
Died	1
Total	63

Health.—The general health has been very good. We have to record two deaths, one, that of a dayboy who died from the effects of poison during the midsummer holidays and who was buried in Japan, and the other of a working boy Murray Allan who declined and sank under diabetes. He was buried on April 28 in Bubbling Well Cemetery. Epidemic diseases have not made themselves evident among the scholars. The following table gives details of cases that occurred amongst the boarders and were treated in the sickroom.

TABLE E.

	BOARDERS.	
	Slight	Severe
Cold feverish	3	3
Biliousness	2	—
Malaria fever	1	—
Dysentery	2	—
Mumps	1	—
Ophthalmic affections	3	—
Rheumatism	1	—
Diabetes	—	1*
Typhoid fever	—	1*

*Sent to hospital

The staff were inoculated against Typhoid and Paratyphoid fevers in February. Owing to the Scarlet fever epidemic in May the boarders were not sent to places of public worship; Church services and Sunday School classes were arranged at the School and the resumption of these features of routine did not take place until September.

Vaccination is—as far as can be—insisted upon.

Cases of sickness and ailments are ordinarily dealt with by the Matron, but where the nature of a malady demands, the Council's Medical officer is called in.

Work.—The Syllabus for the year is so graduated as to include the syllabus set for the Cambridge Locals by the time Form IV and V are reached.

The school divides itself into two parts, one division consisting of boys whose first care is to acquire English and the other being those who take a normal school course according to their age.

The systematic teaching of Chinese, to which Mr. Jackson was so devoted, had to be relinquished when he went to join the army and the classes in that subject reverted to the half hour each week which the native teacher gives. All other subjects taken have pursued an uninterrupted course.

The list of forms and teachers is as follows :—

Form	Average age	Teacher.
I	9 $\frac{1}{2}$	Mrs. M. Saker
II	10 $\frac{6}{12}$	Mrs. R. Peach
IIIb	11 $\frac{9}{12}$	Miss A. Lawrie Smith
IIIa	13 $\frac{6}{12}$	Miss S. A. Harvey
IV & Vb	14 $\frac{1}{12}$	Mr. W. C. Divers
Va & VI	14 $\frac{6}{12}$	Mrs. M. G. Stuart
English Class B	15 $\frac{1}{12}$	Mr. P. Rinaldo
English Class A	15 $\frac{7}{12}$	Mrs. O. E. Ryton
IVb	16 $\frac{8}{12}$	Mrs. E. J. O'Toole

The classes from English A to Form VI are taught by teachers of subjects in rotation.

History and Literature	Miss S. A. Harvey
Geography and Geometrical Drawing	Mrs. O. E. Ryton
Arithmetic, English and Drawing	Mrs. M. G. Stuart
Bookkeeping, Shorthand and Model	Mr. W. C. Divers
Algebra, Geometry and Model	Headmaster

In Elementary Mathematics the attainments are not commensurate with the ages of the boys, this is due in some measure to the lack of English amongst our oldest pupils but chiefly to the fact that so much of this work is first begun at this school by boys who enter for a commercial training after having completed a primary school course elsewhere.

The Arithmetic is satisfactory. In Geography the syllabus is heavy and the subject is regarded as one of great importance. The groundwork is being steadily tackled and results are promising. In History the personal and social side has been presented and in consequence the interest evinced appears throughout the examination papers worked. The standard in English is gradually rising. This is largely due to a sensible reduction in the number of pupils under each teacher. The benefit of this state of affairs is shewn in Literature, Composition and Grammar. More attention has been given to Reading and to Recitation in the Lower School this year than hitherto. The business subjects—Shorthand, Bookkeeping and Business Method—have been consistently followed in the Forms from IV upwards; the results are encouraging. Drawing, except in one form, is improving at a satisfactory rate.

All classes are taught to sing. The boys of the Upper School have learnt half a dozen two part songs this year. The Lower School have followed a course of Object Lessons, and have also completed a system of Physical Exercises and Drill.

Monthly examinations have been held in all classes and individual reports on scholars are compiled and posted to parents at the end of the Summer and Winter terms.

In Conduct and Discipline a satisfactory standard has been maintained. The senior boy, Fred Simonsen, exerts a praiseworthy influence amongst the older classes which is reflected throughout.

Public Examinations.—The demand from offices for boys to enter employment already referred to prevented the entry of candidates for the University Locals last year. One boy was entered for St. Andrew's Bursary.

The Prizes won this year were distributed by the Chairman of the Council on December 20. The School was inspected by the Permanent Education Committee on November 9.

Athletics.—Football and tennis were consistently followed throughout their seasons. The playground accommodates four courts for tennis.

In football we lost heavily against St. Francis Xavier's College, but the School Scouts scored a creditable success over their opponents of the Shanghai Public School. The boys have visited the Municipal Swimming Bath regularly throughout the summer and certificates have been issued to those whose ability to swim a certain distance has been tested.

A Sports Meeting was held on October 12. Owing to a case of Scarlet fever developing just beforehand the public were not invited.

The library has been well used. Miss Harvey took over the duties of Librarian and Censor of correspondence. She reports favourably on the issue of books. Several new volumes were added this year. The number of volumes is about 200. Books may be obtained by dayboys between 4 p.m. and 4.15 p.m. and by boarders on certain evenings during preparation.

The Scout organization which is in charge of Mr. Divers worked very well indeed from the time of its inception in 1913 until the middle of this term when the Scoutmaster re-organized the patrols so as to make the boarders honorary members of dayboys' patrols. There had been great keenness and a very healthy spirit of emulation up till this time. It remains to be seen whether the new system will be as successful. Two very enjoyable and very successful trips up country were undertaken during which all the fascinations of camp life were experienced. Journeys into the country which entail exercises in observation and recording natural features for which points are awarded have produced some excellent results. The moral side of the Scouts' training has received satisfactory attention and has shown corresponding results.

General.—The routine work incidental to a boarding school is undertaken by the resident staff in turn, each teacher going on duty for one week at a time, but the Tuesday and Thursday duty in such week is undertaken by the next in turn. Duty begins at 6.30 a.m., when the boys rise, and continues until the teacher on duty is relieved by the next for duty. In this period the dormitories, the refectory, the recreation and the religious exercises are all under surveillance.

The ordering and preparation of meals and household matters generally are dealt with by the matrons.

A specimen menu taken from two days in the week is given :

Monday	7.30 a.m.	Break fast	Porridge, bread, butter, jam, tea.
	12.15 p.m.	Tiffin	Grilled beef, Roast potatoes, stewed fruit, Custard sauce.
	6.00 p.m.	Supper	Bread, butter, eggs, tea.
Thursday	7.30 a.m.	Breakfast	Porridge, bread, butter, eggs, tea.
	12.15 p.m.	Tiffin	Beef cutlets, mashed potatoes, plum pudding.
	6.00 p.m.	Supper	Bread, butter, jam, tea.

The school tuck shop supplies those delicacies which no school boy can do without and ensures the eatables being clean and wholesome.

Boarders attend Church Service in the mornings each Sunday and Sunday school in the afternoon the year round excepting only when the Sunday schools close for the great heat. A table (for the whole school) of the religions as given when boys enter the school shows :

Protestants	79	Mahommedan	4	Zoroastrian	2
Catholics	16	Buddhist	16	Sikh	2
Greek Church	2	Hebrew	15	Unknown	6
Confucian	1	Shinto	10		

Seven boys were baptized during the year and twelve were confirmed.

The ages of the boys now in attendance are : Boarders Day boys

Under	8 years	—	—
	8-11 „	15	9
	11-14 „	26	33
	14-17 „	13	53
Over	17 „	1	3
Total		55	98 — 153

The nationalities are :

British	35	Korean	3
British Indian	6	Swiss	3
Japanese	28	Filipino	2
American	19	French	2
Portuguese	19	Belgian	1
Russian	12	Jews (unregistered)	2
German	10	Norwegian	1
Eurasian (unregistered)	5	Greek	1
Austro-Hungarian	3	Roumanian	1

Fire Precautions.—A fire drill with hose and ladders, which was conducted by the Chief Officer and the members of the Hongkew Company S.F.D., took place in the summer. The boarders were sent down the escape ladders and were practised in jumping the first floor verandah into the sheet held by men on the lawn. From time to time the boys are instructed and practised in getting clear of the building and forming up on parade on the windward side.

Reformatory Cases.—One regrettable feature of each year is our inability to comply with requests from benevolent societies and guardians to undertake the admission of boys whose characters are unsatisfactory. It is manifestly impossible to enter boys of an admittedly vicious turn of mind, or boys whose history shows some connexion with undesirable acquaintances, without the certainty of contaminating the School. It would appear desirable that some provision should be made in the near future by Charitable Societies acting jointly for the establishment of an industrial school to which cases subject to malicious environment could be sent. As matters stand at present the only course adopted is to wait until a charge of some seriousness can be brought by the police and then the lad is sent to gaol. Most of the cases referred to are those of boys in their teens. Of three such cases before the court this autumn, one boy had had no schooling until he was fifteen, he could neither read nor write, another professed to have been educated in America but at fifteen years of age his attainments were those of the average boy of ten. The third case was that of a lad who was naturally unable to keep out of mischief and who ought to have been under restraint from childhood.

A. J. STEWART,
Headmaster.

THOMAS HANBURY SCHOOL FOR GIRLS, HEADMISTRESS'S REPORT.

Attendance.—The number of Scholars increased after the Summer holidays and several applications were refused owing to lack of accommodation. Space limits the number to 50 boarders and 100 day scholars, the boarders are slightly in excess of the number stipulated. The general attendance is very regular and children are only absent in case of sickness.

TABLE A.

Attendance : Number on Roll During 1917.

Form	Jan.	Feb.	Mar.	Apr.	May	June	Sep.	Oct.	Nov.	Dec.
V	17	17	17	17	17	19	18	18	18	18
IV	20	19	19	20	23	20	22	22	22	22
III	20	20	20	19	20	20	24	24	24	24
II	14	14	12	13	17	17	20	21	21	21
I	26	26	30	30	27	26	23	25	25	24
Kindergarten	19	21	20	20	18	18	23	23	23	23
English Class	20	19	19	18	17	17	15	21	20	20
Total	136	136	137	137	139	137	145	154	153	152

TABLE B.

Comparative Table for 1915, 1916 and 1917.

	Total on Roll			Percentage Present		
	1915	1916	1917	1915	1916	1917
January	88	96	136	95.3	96.4	87.7
February	93	98	136	88.2	91.6	85.2
March	98	102	137	90	92	92.6
April	97	103	137	86.3	88.6	93.2
May	99	107	139	94.1	94.1	90.6
June	100	104	137	89.9	93.8	88.3
September	105	136	145	90.7	93.8	91.3
October	103	138	154	95.9	95	93.6
November	103	139	153	94.1	95	96.
December	105	137	152	92.8	95.7	96.1

TABLE C.

New pupils admitted :—

	1915	1916	1917
January	2	2	8
February	4	0	2
March	2	4	1
April	0	2	1
May	6	3	6
June	1	2	0
September	9	42	18
October	4	2	9
November	5	1	1
December	0	0	0
Total	33	58	46

TABLE D.

Number withdrawn :—

To enter employment	4
Transferred to other Schools	9
Parents leaving Shanghai	2
Left without giving notice	4
Total	19

TABLE E.

Nationality.	Ages Between					Total
	5—7	7—9	9—12	12—14	14—17	
British	12	9	9	10	29	69
American	4		1	4	5	14
Austro-Hungarian				2	2	4
Russian	1	4	3	3	2	13
German	2	4	4	1	4	15
Portuguese		1	1	3	4	9
Swiss					2	2
Turkish		1	1			2
Japanese					4	4
Belgian		1				1
Spanish					1	1
Norwegian	1	1				2
Indian		3	1	1	1	6
Greek	2		1		2	5
Danish					2	2
Sikh	1					1
Unregistered					2	2
Total						152

Health :—The health of the Boarders has been excellent. There are no serious cases of illness to report. Early in the year there were a few cases of mumps and chicken pox, but as the children could be isolated the infection did not spread. Amongst the day scholars there were two cases of Scarlet fever, one of which was fatal, the little girl had been in the school since February 1911, and her death cast a gloom over her classmates. On account of the prevalence of smallpox the Staff and Boarders, who had not been vaccinated within the last three years, were vaccinated, and notice was sent to the parents of day scholars advising them to take the necessary precaution.

The Attendance Register is marked morning and afternoon and if a child is absent a day or two a note of enquiry is sent to the parents.

The Health Officer notifies the School when infectious cases come to his knowledge.

TABLE F.

	Scarlet fever	Mumps	Chicken pox
January		4	2
March	1		
May	1		
Total	2	4	2

Work of Staff and Staff Allocation.—The Upper forms follow the syllabus of the Cambridge Local Examination and the Form Mistresses report very good progress on the subjects studied. The text books chiefly in use are :—Arithmetic, Hall and Stevens, parts I and II. Geography :—Longman's part III. Herbertson's Junior Geography and Hodgkinson's Preliminary Geography. History :—Carter's and Innes's. Grammar :—Nesfield's Literature for the first and second divisions of the V Form : Henry V and Lady of the Lake, Form IV Hiawatha, the Golden Treasury and a few of Wordsworth's poems. In the lower forms history and literature are taught story form. The classification of upper forms depends more on ability than age, and in order that the scholars who enter late and are backward in education should not impede the progress of others, a class has been formed under the care of Mrs. Davey, who devotes her time to teaching Elementary English ; if the scholars show aptitude they are drafted to one of the regular forms. The ages of Kindergarten Children range from 5 to 7 years, transition from 7 to 9 years and Form II from 9 to 11 years.

Mistresses are responsible for their own forms and specialize in a few subjects :—Mrs. Walter in History and Hygiene, Miss Beckingsale in Arithmetic and Literature, Miss Hammond in Singing and Miss Meech in Drawing. In many of the subjects the forms are divided into two divisions as some children are unable to grasp the lesson unless given in a very simplified form. In these divisions the Headmistress takes form V for New Testament, Geography and Grammar, form IV for Geography and Grammar and helps when possible with other forms.

Miss Newbery wrote a very pleasing report of the girls who attended the cooking classes. During the past year the cooking class has undertaken simply made dishes, plain cake making, frying and preparing fish, soups, vegetables, stews and plain pastry. The class has shown a keen interest and intelligent work has been done.

TABLE G.

Form	Mistress	Jan.	Feb.	Mar.	Apr.	May	June	Sep.	Oct.	Nov.	Dec.	Average Age
V	Mrs. Walter	17	17	17	17	17	19	18	18	18	18	14 $\frac{3}{4}$
IV	Miss Beckingsale	20	19	19	20	23	20	22	22	22	22	14
III	Miss Hammond	20	20	20	19	20	20	24	24	24	24	12
II	Miss Meech	14	14	12	13	17	17	20	21	21	21	10
I	Miss Alliston	26	26	30	30	27	26	23	23	23	23	8 $\frac{1}{2}$
K. G.	Miss Rees	19	21	20	20	18	18	23	23	23	23	5 $\frac{3}{4}$
English	Mrs. Davey	20	19	19	18	17	17	15	21	20	20	14
Total		136	163	137	137	139	137	145	154	153	152	

Conduct and Discipline :—The girls are very well behaved and give little trouble to the Mistresses, in fact, more show of spirit might be welcomed. They are very willing to help in every way and are only too eager to be monitresses to carry out the various duties in class. The punishment for minor offences committed in class is detention. Boarders have privileges, as for instance, permission to go out shopping, or free week ends, taken away for offences committed outside school hours. Repetition of prepared work done in a slipshod way, keeps girls up to the mark in this respect. The aim of the Staff is gradually to increase the feeling of corporal responsibility in the girls and institute self-government as far as possible.

Cambridge Local Examination.—The results of the Examination held in December 1916 were received in May and are as follows :

	Candidates entered	2
Senior		
Pass (under 19)	K. H. Smith.	
	M. A. Davey	

Candidates entered for 1917 :—

Junior (under 16)	D. Davey
"	M. Netrousoff
"	B. Brown
(above 16)	A. Herd
"	M. Parker
"	L. Owen
	——— Total 6
Preliminary (above 14)	G. Ney
"	D. Hervey
"	L. Yors
"	M. Hanson
"	S. Davey
	——— Total 5

Speech Day and other School Functions.—Prize-giving and an Entertainment had been arranged to take place at the beginning of the year, but for private reasons the Headmistress and Staff considered it desirable to cancel this function.

The Permanent Education Committee visited the School, Friday, November 9, at 3 p.m. The work was not seen to advantage, the last half hour on Fridays is singing and preparation of home work, the Kindergarten and Transition forms had already been dismissed. I should like to suggest unexpected visits in the morning or early afternoon when work would be in full swing.

Games.—Hockey in Winter and Tennis in Summer are entered into with great zest by the senior girls, and these games are under the supervision of a Mistress. Tennis is played on asphalt courts in the School premises, and this game is indulged in every evening, weather permitting, in the summer. Matches are arranged for Saturdays as often as possible. Hockey is played every Saturday at Hongkew Park and matches are arranged. The need of a recreation ground near the school is keenly felt. The Secretary and Captain chosen by the members have done much good work in getting the Sports Club into good working order. The children in the lower forms play organised games under supervision.

Library.—Our library was started in 1910 by a friend who gave a donation for that purpose, two years later on receipt of another donation books were purchased by the Headmistress when on leave since then no appreciable addition has been made and through lack of new books the girls are not encouraged to read. I should like to replenish the library with some good standard works, it is very noticeable that scholars who do most reading enlarge their vocabulary and excel in composition, it is one of the aims to education to create a desire for good literature.

General.—The year has passed quietly, no outstanding feature marks it. The reconstruction of the building was completed by January and we realized the advantage of having the building to ourselves. It has still numerous drawbacks, the class rooms are inconveniently situated, as in two cases the children pass through one class room to get to another, it is also inadequate for our needs, it lacks an art room, a cloak room, a play room and a comfortable sitting room for the senior boarders. The class rooms are small and the heating arrangements have cramped us very much, in order to make room for the stoves the desks are placed closely together and each time a pupil leaves her seat it causes a disturbance.

Mrs. Groat, matron, was invalided from the Council's service in March, Miss J. Fraser applied for the position and was appointed. Mrs. Walter (née Miss Rudge) terminated her agreement December 21. She had been a very congenial co-worker, was much esteemed by her class, and we regretted her leaving. Miss Alice Stevens whose application has been accepted by the Council will fill the vacancy.

Sixteen children spent the Summer holidays at the School. Miss Gaunt arranged many pleasant outings and did everything possible to give them a pleasant time.

In order to keep in touch with girls who have left School, Miss Beckingsale organized the 'Old Girls' Association.' They meet once a month at the School for a social evening and have games and dancing, before leaving at 10.30 p.m. light refreshments are served. These gatherings are well attended, on an average twenty-five girls are present; boarders over 15 years of age are allowed to join.

Attendance on Sunday.—The children in charge of a Matron attend Divine Service at St. Andrew's Church and the Union Church alternate Sunday mornings. In the afternoon they go to the Cathedral Sunday School or if infants to the Free Christian Church Sunday School : girls over 15 years of age are permitted to remain at home and attend evening service instead. During the Winter term they and a few day scholars had Bible lessons at the School in the afternoon.

Messing.—The children breakfast at 7 a.m. It consists of porridge with milk and sugar, eggs, bread and butter and tea. Tiffin is at 12, the courses are meat, rice, vegetables and pudding, and these are varied from day to day. The three matrons assisted by two boys serve the meals. Supper is at 5.30 p.m. when the children have bread, butter or jam ; on Sundays cakes are added to the usual fare.

Clothing.—The School has adopted an outdoor uniform of dark blue coats and hats trimmed with green. It is desirable that dress should be uniform : this is in accordance with the practice of Home Schools. Many of the parents who live some distance from Shanghai request that the children's wardrobes shall be taken over by the School and charged to their account. Pre-war time goods were purchased at wholesale prices from England and charged at the same rate. Two tailors work on the premises and are fully occupied in making, altering and repairing clothes and helping with household linen.

Ectranous Duties.—Mistresses are exempt from charge of children after school hours, but in cases of emergency they are expected to give assistance. The duties of household management, catering and care of children are shared by the Matrons. Miss Gaunt is responsible for the catering for Staff and children, the supervision of kitchen quarters, the making and altering of children's clothes and looking after their general health and the many little details which arise day by day. Miss Fraser takes supervision of children over ten years of age, distributes and supervises their housework, and takes management of Staff and School quarters. Mrs. Phillips has care of children under 10 years, mending for children and household, and washing for Staff, children and house linen, there are other duties too innumerable to allocate which fall on the Matrons. The children rise at 6.30 a.m. and the matrons in charge see that they are properly dressed, dormitories left tidy, windows opened and beds stripped ; Miss Gaunt always takes them for breakfast. The infants are put to bed soon after supper, the lower form girls have preparation for an hour and go to bed at seven, the upper form girls have preparation for an hour and a half and go to bed at eight, the matron on duty goes round to all dormitories at 8.30 and sees that lights are out.

The girls go for walks three times a week and in this district where traffic is so congested it is no light duty for the Matron. The infants in charge of two amahs are sent to the Quinsan Garden every afternoon for an hour.

The School has reached the number of pupils it can accommodate and until provision is made for a new building we must remain stationary.

E. H. MAYHEW,
Headmistress,

CHINESE EDUCATIONAL COMMITTEE.

The Committee has remained without change during the year and now stands as at the end of 1916, as follows :—

Messrs. E. I. Ezra, *Chairman.*
Rev. W. Hopkyn Rees
H. Phillips
Shen Tun Ho
Chicheh Nieh

Upon the proposal of Mr. Hopkyn Rees, seconded by Mr. Phillips, Mr. Ezra was re-elected Chairman of the Committee at its meeting on June 15. Two meetings of the Committee have been held during the year.

PUBLIC SCHOOL FOR CHINESE, HEADMASTER'S REPORT.

Attendance.—The Summer Term began on February 7, 1917, with the School more than full, and at the commencement of the Winter Term, in September, the number of new pupils was larger than in any previous year.

TOTAL ON ROLL.

	1915	1916	1917
Summer Term	400	400	403
Winter Term	400	401	412

PERCENTAGE ATTENDANCE.

February	98.5
March	96.6
April	95.7
May	95
June	95.5
September	96.2
October	95.7
November	97.8
December	96.9

AGES OF PUPILS ADMITTED IN 1917.

Age	8	9	10	11	12	13	14	15	16	17
(Summer Term) Number of Pupils	1	9	22	21	13	6	6	5	0	2
(Winter Term) Number of Pupils	1	8	14	10	16	7	0	3	2	2

Health.—The health of the pupils has been remarkably good, taking the School as a whole. Scarlet fever was prevalent in Shanghai during the Summer and one pupil contracted this disease but recovered. In the Winter Smallpox was fairly common, but no cases occurred among the pupils.

In cases where a boy is absent through illness, the name and address is sent to the Health Officer who investigates the case, and reports to the Headmaster if the disease is of a communicable nature.

Work of the School and Staff Allocation.—The curriculum of both the Chinese and the English Departments remained the same as in 1916. On the English Side, Miss M. R. Graham was engaged in March to replace Mr. Yuan Su, and Mrs. J. Frost, who possesses the Art Master's Certificate of the Board of Education of England and Wales, was engaged to superintend the teaching of Drawing.

Mr. H. E. Jones left in August to offer his services to the British Government, and in September Miss Graham was transferred to the Public School for Girls. The vacancies thus caused were filled by the appointment of Miss T. M. Pierce, M.A. and Miss D. M. McKay. During November and December Miss Florence M. Reid, LL.A., also taught in the English Department, and was then transferred to the Ellis Kadoorie Public School for Chinese.

The teaching of Mathematics and the advanced work on the English Side has been mainly in the hands of the English masters, while the assistant mistresses have been responsible for the English work in the Preparatory School. The policy of placing beginners in English under English teachers is a sound one and is essential for the acquisition of a correct pronunciation. The use of phonetics also is regarded as indispensable.

Book keeping has been taught in Forms 3 and 4 on the English Side under the direction of Mr. L. C. Healey, Acting Headmaster of the Polytechnic Public School for Chinese, who visits the School twice a week.

Conduct and Discipline.—The changes in the staff of the English Department had a detrimental effect on some of the classes of small boys in the Preparatory School of the English Department, one class having had four different teachers during the year, but taking the School as a whole, the conduct has been up to the high level of previous years.

The maintenance of good discipline has proved, in the case of this School, to be comparatively easy.

A scheme of marks is the principal foundation of the disciplinary system. There is no doubt whatever that a stay of seven or eight years in a school where regular and punctual attendance, diligent study and good conduct are required, is productive of a fine type of man. The boy scouts of the School exert a decidedly good influence on the whole body of pupils.

Examinations.—The following seven pupils were successful at the Cambridge Local Examination held in December, 1916 :—

Senior Candidates :—Dzen Pah-yuen, Pan Van-sung, Kwok Tah-wah, Fan Tsung-kan, Chang Tsing-yung, Loh Siu-yoong, Kiang Tse-sung.

Hongkong Local Examination :—The following pupils passed the Matriculation Examination of the University of Hongkong :

July, 1917 : Kiang Tse-sung, Pan Van-sung, Kwok Tah-wah, Fan Tsung-kan ;

December, 1917 : Huang Chi-liu, Tsao Ching-ting, Huang Kien-shung, Lien Bang-nien.

Visitors.—Sir Charles Eliot, Vice-Chancellor and Principal of the University of Hongkong, called at the School in September, and the Rev. Dr. F. L. Hawks Pott, Mr. E. C. Pearce (Chairman of Council) and Mr. E. I. Ezra, members of the Permanent Education Committee paid a visit in November. In January 1918 the School was visited by Mr. Wilton, C.M.G., of Peking, who was accompanied by Mr. H. Phillips, H.B.M. Consul and a Member of the Chinese Educational Committee.

Games, Athletics and Recreation.—The annual Athletic Sports were held on Saturday, May 12, when about a thousand friends and relatives of the pupils were present, and several foreigners including Mr. E. C. Pearce, Chairman of Council. An inter-form football competition was arranged by Mr. T. G. Baillie, Honorary Secretary of the Athletic Club, and this kept the boys busy all the winter.

School Library.—A number of books in Chinese were kindly presented to the School by Mr. Chicheh Nieh, a member of the Chinese Educational Committee. The School Library consists mainly of books in English, and is used chiefly by the pupils of the lower and upper schools, but a well stocked library of volumes in Chinese would be a valuable addition.

The Boy Scouts.—The First Shanghai Troop of Chinese Boy Scouts, which was formed in 1913, and which was the nucleus of the Boy Scouts Association of China, is still in evidence, and has a very good effect upon the School as a whole. A Scout Rally was held in November partly to raise funds for the sufferers from the floods in North China, and a big military display was also held under the auspices of the Shanghai Volunteer Corps for the same object, and at both functions the boy scouts did excellent service, the band being specially praised for its valuable aid.

Normal School.—The training of the Chinese members of the teaching staff has developed into the foundation of a Municipal Training (or Normal) School. Lectures on Psychology, the teaching of English, Geography, Mathematics and Drawing, and training in English pronunciation have been given regularly since October by a number of well qualified English teachers, and model and criticism lessons have also been held.

The effect of these classes can already be seen in the improved teaching methods of the Chinese teachers of English connected with the School, all of whom attend the classes regularly. The pupils of the Normal School include a few foreign teachers also.

G. S. F. KEMP,
Headmaster.

ELLIS KADOORIE PUBLIC SCHOOL FOR CHINESE, HEADMASTER'S REPORT.

Attendance.—As will be seen by reference to the tables below, the average attendance throughout the year was good, the best indeed in the history of the school. The average percentage for the year was 95.45 as compared with 94.3 for 1916. As in former years the attendance dropped seriously just before Chinese New Year. The most unsatisfactory feature of the school continues to be the large number of new scholars term after term, and if the analysis of the admission age of new pupils is examined it will be seen that this unsatisfactory state must continue until there is a very substantial fall in the average age of admission. "Learn young, learn fair" is as true in China as elsewhere and until the age of the great bulk of those admitted is between 8 and 12 the state of the school cannot possibly be considered satisfactory. It is

impossible for a boy who enters the school after the age of 12 to do well in the Hongkong Examinations while he is under the age of 18 or 19. Of those admitted last year more than 80% were over 12, a most unsatisfactory state of affairs from the teacher's point of view. Those two features go hand in hand and until the average age of admission is low it must be that the number of admissions will be high. And, where there is such a change in the personnel of the school, work is hard and unsatisfactory.

TOTAL ON ROLL.

	1915	1916	1917
Summer Term	400	379	400
Winter Term	386	369	400

PERCENTAGE ATTENDANCE 1917.

Month	Average Roll.	Average Percentage Attendance.
January	337	87.1
February	383	98.8
March	399.4	97.3
April	399	95.8
May	393.5	95.6
June	388.8	94.5
September	385.7	97.4
October	395	95.4
November	388.8	95.4
December	377	97.2

The appended table is for the second term only, but it is typical and serves to illustrate the variety of ages found in the several classes. Such a variety tends to make the work more difficult as can be easily understood. Fortunately Chinese boys are not so sensitive as foreign boys and a lad of 20 feels no shame in being classified along with a boy of 10.

AGES OF PUPILS ADMITTED IN 1917.

Form or Class	9	10	11	12	13	14	15	16	17	18	19	20	21	Total.	Average Age
Form IV								3		4	3		1	11	18
" III						1	3	8	1	8	3	2		26	17.1
" II						1	4	5	10	6	1			27	16.7
" I					1		1	10	6	6	1	2	1	28	17.1
" Ia					1	1	5	8	7	7	1	2	1	33	16.8
" Ib					2	4	5	10	8	6	1	1		37	16.6
Class I				3	3	4	6	11	3	4				36	15.4
" Ia				2	2	6	10	3	2		2			27	15
" Ib					1	4	6	9	3	3				26	15.7
" II			1	1	2	6	12	9	5	2				38	15.2
" IIa	1		2	2	6	7	11	8	3					40	14.4
" III	1	3	2	6	7	8	11	2	2		1			43	13.6
" IIIa		1	4	4	2	9	3	3	1			1		28	13.7
Totals	2	4	9	18	27	51	77	89	53	46	13	8	3	400	15.54

The following table will serve to show another of our difficulties. It has been remarked that the large number of new admissions and the high age at which pupils are admitted go hand in hand. The numbers given below cover the whole period under review.

Age	8	9	10	11	12	13	14	15	16	17	18	19	20
Numbers	2	2	3	9	22	17	33	30	33	25	11	11	1

Of these 115 came during the Summer Term and 84 during the Winter Term, a total for the year of 199 new pupils whose ages ranged from 8 to 20 and whose average age was 14.8.

Health.—On the whole the health was good, though towards the end of May and at the beginning of June there were so many cases of sore throat, and possible Scarlet fever, that it was deemed advisable not to have a Speech Day.

Work.—It was felt that an attempt should be made to send some boys in for the Hongkong Local Examinations. Strictly speaking none of the boys had reached the necessary Form, but it was decided to run the risk of failure as the examination would be an incentive to them to work hard. And it was. Changes in the staff due to the war made this work all the more difficult, but we are hoping that we did not toil in vain. The loss of Mr. Healey was felt very much and the work he was doing had to be allocated to various teachers. We had to engage lady teachers but, though they did admirably, they rendered no assistance on the Mathematical side and that side demands great attention. The Head Master and Mr. Kershaw had to do practically all the Mathematics, and most of the English work had to be done by Mrs. Burke-Scott and Mrs. Gibson. After Mr. Healey left to go to the Polytechnic as Acting Head Master he came to us twice a week to take Bookkeeping and his help was most valuable and highly appreciated. Except in Forms III and IV all the Drawing was in the hands of a Chinese Teacher. The work in Chinese was carried on very much as in former years. The candidates for the Hongkong Local Examinations had tuition along a special line but, otherwise, no comment on this phase of the work is necessary except that Mr. Wong managed his staff of Chinese teachers well and that the time is at hand when his staff will need to be strengthened.

Conduct and Discipline.—The conduct throughout the school was good; so was the discipline. The experience of last year made it more than ever evident that an untrained man is more of a hindrance than a help in a school. Boys soon find out when they are mastered, and when they are masters; and Chinese boys are no exception in this respect.

Visitors.—On account of the prevalence of sickness during May and June there was no Speech Day last year. The boys, naturally, were disappointed as they like to be seen and heard by their elders. As in former years we had a visit from the Permanent Education Committee and Sir Ellis Kadoorie visited the school both in Spring and Autumn.

Games, Athletics and Recreation.—Football as heretofore was the prime favourite amongst winter games and in summer tennis had numerous exponents, but in neither of these games was the standard of attainment so high as in 1916. The school, however, more than held its own on the football field. There were no inter-school tennis competitions, but there were school competitions in both singles and doubles. The school scored two notable successes during the year. At the sports of the Public School for Chinese our team won the Chairman's Cup, scoring the highest possible number of points. In the 100 yards we had first, second and third places: in the 440 yards first place and in the Relay Race first place. At our own sports in the Autumn we retained the cup but our victory on this occasion was by no means so decisive. And we have to record our first defeat in the Tug-of-War. The boys from the Nieh Chih Kuei Public School displayed more grit than ours and pulled them over the line twice in succession. Every Friday afternoon we had the boys in the playground for half an hour and then they drilled and played vigorously. We divided the school into two football leagues not according to classes but according to drill companies. The result was that all the big boys were in the First League and all the small boys in the Second League. And last year we had the Second League boys playing with a small size ball an innovation that was highly successful.

Library.—There is no library worthy of the name but we have a few books and last Autumn Mr. Chicheh Nieh made a handsome contribution to our small collection, a contribution that was highly appreciated.

Scouts.—From the time Scoutmaster F. Maitland departed our troop languished. But Mr. H. H. Johnson kept pegging away and after Assistant Scoutmaster Davey was put in charge of the troop the numbers and the morale improved considerably. Unfortunately Mr. Davey was transferred to Japan towards the end of the year and another change had to be made. Frequent changes militate against efficiency in this sphere as in every other.

General Remarks.—The installation of heating throughout the school made work in winter much more enjoyable and both teachers and pupils relished the change. The war reduced our staff and thereby lowered our efficiency somewhat; and it made it difficult for us to obtain teachers from home and compelled us to fill appointments locally.

We have no room suitable for Drawing ; and the large numbers who have tiffin in school make a demand on our space which it is becoming harder and harder to meet.

Our policy for 1918 will be determined largely by the result of the Hongkong Local Examination held in December. To that examination we sent 8 boys from Form IV and if the results warrant the attempt being made a second time we shall endeavour to send in Form IV boys again, though only boys from Forms V and VI are required to enter. In 1918 we hope to have, for the first time in the history of the school, a Form V. That form will be very small but it will be a beginning. The work in the higher forms necessitated the concentration there of the foreign members of the staff with the result that the lower school had not the same amount of tuition from the foreign teachers last year as in former years. That was to be regretted but it could not be helped.

When the local Red Cross Society appealed for help for those who suffered after the great flood in North China the school sent a contribution of \$400, a sum contributed to by nearly every boy and by every teacher in the school.

R. G. DOWIE,
Headmaster.

NIEH CHIH KUEI PUBLIC SCHOOL FOR CHINESE, HEADMASTER'S REPORT.

Attendance.—The increase in the number of pupils enrolled has been very satisfactory. In less than two years the number of pupils has risen from 46 to 101, and, with the further development of the district, steady increases can be expected in future years.

TOTAL ON ROLL.

	1916	1917
Summer Term	60	100
Winter Term	67	101

ATTENDANCE.

February	97.3
March	96
April	97.4
May	96.7
June	97
September	95.4
October	95.6
November	97.3
December	93.4

ANALYSIS OF AGES OF NEW PUPILS ADMITTED DURING 1917.

Age	No. of Pupils
8	1
9	2
10	6
11	2
12	2
13	6
14	16
15	9
16	7
17	6
18	3
Average Age 13.9	60

Health.—The health of the school has been very good, the only serious sickness of the year having been one case of Smallpox. The number of pupils suffering from minor complaints has been small, a satisfactory state of affairs when the usual mode of life of the Chinese is taken into account.

Work.—The work of the school has progressed favourably. Mr. A. F. T. Holland has been in charge of Mathematics and Science, and marked improvement has been shown in these subjects. The Headmaster has been responsible for the Literature and the Grammar throughout the School. Miss P. R. Bowditch, an English trained and certificated Mistress who joined the staff at the end of April, has had charge of the lower classes, and the progress made by those classes has demonstrated the value of a lady teacher for the beginners. Mr. V. P. Hsu and the two pupil teachers, Mr. P. G. Zung and Mr. Y. Y. Wong, have been of considerable assistance on the English side of the school. The work in the Chinese department of the school has been progressing satisfactorily under the superintendence of Mr. T. F. Ing.

Manual Training.—The Manual Training under Mr. L. Kershaw has shown marked improvement. The handicap of lack of proper tools and vices was removed by the arrival of a useful consignment from England in May. Good work has been insisted upon from the beginning, and, in many cases, the moral effect of this has become apparent in other branches of study.

Conduct and Discipline.—The conduct and discipline of the school have been very good. A fine spirit is apparent throughout the school, and this spirit, in itself, is sufficient to preserve the discipline and the good conduct of the pupils.

Opening Ceremony.—The school was officially declared open on January 5 by Mr. E. I. Ezra Chairman of the Chinese Educational Committee, in the presence of Messrs. H. Phillips, W. Hopkyn Rees, Chicheh Nieh, Shen Tun Ho, and a large gathering of parents and friends, including the staff and two hundred of the pupils of each of the other Municipal Schools for Chinese. The prizes gained during 1916 were presented by Messrs. E. I. Ezra and Chicheh Nieh, and, after an interval for tea, the school was thrown open for inspection.

Visit of the Permanent Education Committee.—The school was visited by the Permanent Education Committee on November 2. After seeing the pupils at work, the Committee inspected the various improvements that had been made in the equipment of the school since it was opened.

Chinese Educational Committee.—The school has been visited and inspected on various occasions during the year by the Chairman and Members of the Chinese Educational Committee.

Games, Athletics, and Recreation.—The medicine ball has been largely used, and the pupils have shown great enthusiasm for the drill-games that have been practised during the year. Football has been

played, but the games have been unsatisfactory owing to the lack of playing space. Cross-country running and paper-chasing have been indulged in during the winter months.

A great interest has been taken in the boys of this school by the Chin Woo Athletic Club. Most of the boys have been taking courses in Chinese boxing and physical exercises, and the progress made reflects great credit upon the instructors attached to the Club. The boys are trained in the use of the ancient weapons of China, and the exhibitions that have been given have proved that they are benefiting by the training received.

The 2nd Annual Athletic Meeting was held on the school ground on October 20. So that every boy who was physically fit might take part in the Sports, the programme consisted mainly of inter-company competitions for the "Staff Cup." Under the capable supervision of Mr. A. F. T. Holland, the events were disposed of with such precision and rapidity as to call forth many expressions of approval of the discipline and spirit of the school.

Chairman's Cup :—The "Chairman's Cup," presented to the Municipal Council's Schools for Chinese by Mr. E. C. Pearce has been twice competed for during the year. On each occasion the Ellis Kadoorie Public School has demonstrated its physical superiority, and the Cup remains with that school till next spring.

Library.—A school library was started during the year. Fifty or sixty books were bought with money subscribed by the pupils, and several books have been added since through the generosity of outside contributors. A daily paper is taken, and one or two weekly and fortnightly magazines are subscribed to. The library has been taken advantage of by the pupils, and, during the coming year, we hope to be able to increase the number of books, so as to make the library of real assistance to the work of the school.

General.—Visits to Industrial Works, etc. By the courtesy of the proprietors of various factories and works in the neighbourhood, Forms II and III have been enabled to gain an insight into the working of up-to-date plants. Visits were paid to the Pumping Works of the Shanghai Waterworks Co., the Heng Foong Cotton Spinning and Weaving Mills, the China Import and Export Lumber Co.'s Sawmills and Yard, and the Engineering and Shipbuilding Works. In each case the boys were conducted over the works, and explanations were given to enable them to understand the working of the plant. Our thanks are due to all concerned for the facilities afforded, and for the courteous treatment of the visiting parties.

LIONEL H. TURNER,
Headmaster.

POLYTECHNIC PUBLIC SCHOOL FOR CHINESE, ACTING HEADMASTER'S REPORT.

Opening.—For reasons mentioned in last year's Municipal Report a school building of a temporary nature has been erected on part of the site of the new Polytechnic Public School for Chinese, at the corner of Pakhoi and Kwangse Roads. The building contains five classrooms, each capable of accommodating twenty pupils. The school was opened on February 7, 1917.

Attendance.

TOTAL ON ROLL.	
Summer Term	100
Winter Term	95
PERCENTAGE ATTENDANCE.	
February	96.7
March	94.7
April	91.2
May	92.0
June	89.2
September	97.5
October	94.4
November	95.5
December	96.2

AGES OF PUPILS ADMITTED.

Ages	7	8	9	10	11	12	13	14	15	16	17	18	19
Pupils	1	1	3	9	19	23	22	21	14	7	4	5	1

AVERAGE AGE 12.9.

Health.—Vaccination, which is not compulsory though it might very well be made so, has been vigorously encouraged with the result that more than fifty per cent. of the pupils have been directly treated during the last twelve months. No case of communicable disease has been reported.

Work of School and Staff Allocation.—The curriculum adopted is similar to that followed in the other Municipal Public Schools for Chinese. No singing, however, has been attempted, the periods usually devoted to this subject having been profitably occupied by much needed instruction in personal hygiene and by simple talks on public health. These lessons have been given in both English and Chinese and prizes awarded for the best essays on the topics discussed. The work throughout the school has been necessarily of an elementary character, but a firm foundation for future studies is being carefully and rapidly laid. With this immediate object in view, thought has been bestowed, not so much on the amount of knowledge attained as on the methods by which it has been acquired; and in this connexion the training received by the Chinese teachers of English in the Municipal Normal School, though as yet in its early stages, has already made itself felt in the classrooms, resulting in increased efficiency throughout the English department. Considerable progress, too, has been made in the Chinese department. Though the methods of tuition employed on this side of the school still leave much to be desired, yet the results achieved have been of a comparatively high standard, and pupils and teachers alike are to be commended for their industry. Instruction in Mandarin has been given to all classes but it is apparent that by treating this as an isolated subject no great degree of proficiency can be attained. It would be regrettable if on leaving school the majority of pupils, able to converse in English with some measure of freedom, should unhappily find themselves at a loss when required to sustain a conversation in Mandarin. Except in the lowest classes, there is no reason to suppose that spoken Mandarin could not be more generally used as a medium of instruction in much the same way as English is at present employed, and by the adoption of this plan in the two upper classes during the coming year it is hoped that greater facility in the use of Mandarin will be acquired by the senior pupils. At the present stage in the development of the school a full report on each subject taught would make neither interesting nor profitable reading, and such is withheld till some future date.

During the summer term the school was supervised by the Headmaster of the Public School for Chinese, the foreign members of his staff attending for several periods each week to give instruction in English. Depletion in the Council's educational staff and the growing needs of both schools at length rendered this arrangement impracticable, and at the commencement of the winter term the Polytechnic School was conducted as a separate institution, Mr. S. Rayner, who is still on war service, being appointed Headmaster. The present satisfactory condition of the school is in a large measure due to the excellent start which it received and to the work done during the first term by the Headmaster and staff of the Public School for Chinese. The staff now consists of one Foreigner, three Chinese teachers of English and three teachers of Chinese.

Conduct and Discipline.—As expected, the pupils have shown themselves industrious and amenable to discipline. Offences have been rare and of the usual schoolboy type. It has not been found necessary to introduce any system of rewards and punishments, an expression of approval or displeasure on the part of the teacher having proved an effective remedy in the majority of cases where encouragement or correction has been required. It has been the object of the staff to make school-life happy and attractive without allowing any deterioration in discipline.

Games, Athletics and Recreation.—The restricted area available for sports has prevented much being done in the more advanced forms of athletics. The school compound is too small for anything in the nature of inter-school competitions but good use has been made of it for basket-ball and other games requiring comparatively little space. On the staff of the school are two Chinese assistant scoutmasters capable of taking the lead in organized play, and this form of exercise has become so popular that it has largely taken the place of the usual physical and military drill. The minimum amount of drill sufficient

for disciplinary purposes has been retained; but in this, a non-residential school where the time table is too crowded to permit systematic physical training, it has been found more profitable to replace formal drill by organized games of a manly type, and so, through this more natural method of exercise to develop not the body only but the mind and character as well. The efforts of the teachers in this direction have been amply repaid, and in place of that disinclination to bodily exertion, so frequently observed in the playgrounds of Chinese schools, the boys have displayed sufficient initiative to organize and carry through their own games when no teachers have been present. During the season football matches have been played against junior teams of other schools, but lack of a practice ground has proved too formidable a handicap to allow of much success. On Friday, November 9, an informal sports meeting was held on the grounds of the Public School for Chinese, and on the following Tuesday Rev. W. Hopkyn Rees, D.D., distributed the prizes and addressed the pupils in their own language.

School Functions.—Interfering as they do with the work of a school, Speech Days are not unmixed blessings, to be tolerated when they cannot be avoided, but under no circumstances to be sought after. It is intended to continue quietly doing the work for which the school was established, dispensing with school functions till a more opportune time when a permanent building has been erected and a formal opening becomes necessary. The school was inspected by the Permanent Education Committee on Friday, November 2.

L. C. HEALEY,
Acting Headmaster.

CHOU WEI INDUSTRIAL SCHOOL.

Deeds of Trust relative to the endowment of the Chou Wei Industrial School;—

THIS DEED made at Shanghai China this First day of August One thousand nine hundred and sixteen Between The CHOU WEI GUILD (潮惠會館) a Guild of Chinese Merchants carrying on business in Shanghai hereinafter called "the Guild" of the one part and EDWARD CHARLES PEARCE the Chairman of the Municipal Council for the Foreign Settlement at Shanghai and JOHN BERNARD ANTHONY MACKINNON Acting Secretary of the same Council who and their successors in office as such Chairman and Secretary of the said Council are hereinafter called "the Trustees" of the other part WHEREAS the Guild are the beneficial owners of certain land situate on or near the Connaught Road Shanghai more particularly described in the Schedule hereto which has been purchased out of monies subscribed by members of the Guild in order that it may be for ever hereafter used and enjoyed for charitable purposes and that a school for poor Chinese boys to be erected and maintained out of monies subscribed or to be subscribed by Members of the Guild may be erected thereon AND WHEREAS the said land has at the request of the Guild been transferred to and registered in the names of the Trustees in the Books for the Registration of Land kept at H.B.M. Consulate General at Shanghai AND WHEREAS it is desired to record the Trusts and conditions on which the said land is held by the Trustees NOW THIS DEED WITNESSES AND DECLARES as follows:—

1.—The Trustees hereby declare that they hold the said land specified in the Schedule hereto in Trust for the said Chou Wei Guild (潮惠會館) to be used and enjoyed for ever hereafter as the site for and for the purposes of the said intended school for poor Chinese boys.

2.—All land tax Chinese Government Ground rent and all Municipal and other rates and taxes and outgoings in respect of the said land shall be paid out of the income of the said school and the Trust funds thereof AND the Guild hereby undertakes to keep or cause to be kept the Trustees indemnified against the same and against all costs charges and expenses in connexion with the Trust or with anything they may be called upon to do in the execution thereof and until paid the same shall be a charge on the Trust premises and carry interest at the rate of Seven per cent (7%) per annum.)

3.—It being the intention of the Guild that the said land shall be used and enjoyed for ever hereafter for the purposes named in Paragraph One hereof it is hereby agreed and declared that the Trustees will not transfer the said land or any part thereof to any person firm or corporation except under the directions and authority of an Order of a Court of Competent Jurisdiction.

4.—It is expressly agreed and declared that the responsibility of the Trustees is confined to the holding of the said land in their names as such Trustees as aforesaid until required to transfer the same or any part thereof by the Order of a Court of Competent Jurisdiction and that they are not concerned with the erection maintenance or management of the said intended school or with the use to which the said land is put by the Guild or otherwise howsoever.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first before written.

THE SCHEDULE BEFORE REFERRED TO:

All those ten lots of land containing a total area as per Title Deeds of 39m. Of. 11. 4h, situate in the Western District of the International Settlement at Shanghai and registered in the books kept for the Registration of land at H.B.M. Consulate-General at Shanghai as under :—

Number of Lot	Area as per Title Deed			
	m.	f.	l.	h.
(1) 5077	13	5	5	4
(2) 5161	3	8	9	8
(3) 5162	3	3	3	8
(4) 5208	3	4	3	4
(5) 5348	2	2	2	0
(6) 5369	1	9	3	4
(7) 5376	2	1	9	9
(8) 5758	1	1	3	8
(9) 6037	1	2	1	1
(10) 7051	6	0	8	8
Total Area as per Title Deeds	39	0	1	4

SEALED with the Seal of the CHOU WEI GUILD (潮惠會館) and
SIGNED by Ko Tsze-ping and Chen Yang-Tze in the presence of :—

SIGNED SEALED and DELIVERED by the above named EDWARD
CHARLES PEARCE in the presence of :—

A. S. P. WHITE-COOPER,
Solicitor, Shanghai.

SIGNED SEALED and DELIVERED by the above named JOHN
BERNARD ANTHONY MACKINNON in the presence of :—

A. S. P. WHITE-COOPER.

THIS DEED made at Shanghai the 19th day of March One thousand nine hundred and seventeen Between THE CHOU WEI GUILD (潮惠會館) a Guild of Chinese Merchants carrying on business in Shanghai (hereinafter called "the Guild") of the one part and EDWARD CHARLES PEARCE the Chairman of the Shanghai Municipal Council for the Foreign Settlement of Shanghai and NORMAN OSWALD LIDDELL Acting Secretary of the same Council who and their successors in office as such Chairman and Secretary of the said Council are hereinafter called "the Trustees" of the other part SUPPLEMENTAL to a Deed dated the 1st day of August One thousand nine hundred and sixteen and made between the Guild of the one part and the said Edward Charles Pearce and John Bernard Anthony Mackinnon since deceased of the other part and which Deed is hereinafter referred to as "the Principal Deed" WHEREAS the Guild have recently purchased certain property situate on the Chengtu Mandalay and Chungking Roads Shanghai and known and registered in the books kept for the registration of land in His Britannic Majesty's Consulate General at Shanghai as Lots 2591 and 8118 and the purchase money amounting to Two hundred and two thousand and five hundred Taels (Tls. 202,500) has been provided out of monies subscribed by members of the Guild in order that the same may be held upon the trusts hereinafter contained AND WHEREAS the said land has at the request of the Guild been transferred to and registered in the names of the Trustees in the books for the Registration of land kept at His Britannic Majesty's Consulate-General at Shanghai AND WHEREAS it is desired to record the trusts and conditions on which the said land is held by the Trustees NOW THIS DEED WITNESSETH AND DECLARES as follows :—

1.—The Trustees hereby declare that they hold the said land the particulars whereof are specified in the Schedule hereto in trust for the said Chou Wei Guild in order that the net income thereof after payment of the cost of all repairs insurance and management rates taxes and other expenses and outgoings may be used and employed for the maintenance of the School to be erected on the land specified in the Principal Deed and for the payment of the salaries of the staff of such School and the maintenance education and benefit of the scholars educated thereat.

2.—All land tax Chinese Government ground rent and all Municipal and other rates and taxes and outgoings in respect of the said land shall be paid out of the income of the said property and the Guild hereby undertakes to keep or cause to be kept the Trustees indemnified against the same and against all costs charges and expenses in connexion with the trust or with anything they may be called upon to do in the execution thereof and until paid the same shall be a charge upon the trust premises and carry interest at the rate of Seven per cent. (7%) per annum.

3.—If at any time hereafter it is desired to sell the said land specified in the Schedule hereto or any part thereof the Trustees shall be entitled to transfer the land so desired to be sold upon the following terms and conditions, namely :—

(1) There shall be furnished to the Trustees the consent in writing to such sale and the request to the Trustees to transfer the property so desired to be sold signed by all the persons who for the time being shall constitute the Committee of management of the School referred to in the Principal Deed,

(2) The nett proceeds of sale of the property so sold after payment of all expenses attending the sale shall be reinvested in the names of the Trustees in or upon the purchase of other land with or without buildings thereon and in the erection of buildings on any land so purchased and otherwise in the development and improvement thereof or in or upon such debentures, mortgages or other securities as the said Committee of management shall in writing unanimously direct and the net income thereof shall be used for the same object as the net income of the property so sold as aforesaid.

(3) Provided always and it is expressly agreed and declared that the Trustees shall not be bound to see or enquire into the sufficiency or propriety of any security in or upon which they are authorised and requested to invest the said proceeds of sale and they shall not be liable for any loss that may arise by reason of any such investment being made in pursuance of the authorization hereinbefore contained.

4.—It is expressly agreed and declared that the responsibility of the Trustees is confined to the holding of the said land in their names as such Trustees as aforesaid and that they are not concerned with the collection of the income arising from the said property or the purposes for which it is employed or with the preservation maintenance or erection of any buildings on the said land or the leasing thereof or otherwise howsoever.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 19th day of March One thousand nine hundred and seventeen.

THE SCHEDULE BEFORE REFERRED TO :

FIRST ALL that lot or piece of land known and registered in the books for the registration of land kept at H.B.M. Consulate-General at Shanghai as Lot No. 2591 measuring in area according to the title deed thereof 9m. 9f. 4l. 2h. and situate on or near the Mandalay and Chungking Roads in the Western District of Shanghai and SECONDLY ALL that lot or piece of land known and registered in the same books as Lot No. 8118 measuring in area according to the title deed thereof—3m. 2f. 1l. 4h. and situate on or near the Chengtu Road in the Western District of Shanghai.

The Official Seal of the CHOU WEI
GUILD was affixed hereto by CHEN
YAO-CHEN, KAO YU-TANG and TSUN
YU-TING in the presence of :—

潮惠會館
董事
陳郭鄭
玉堯臣
亭堂臣

A. S. P. WHITE-COOPER,
1A Peking Road, Shanghai,
Solicitor.

SIGNED SEALED and DELIVERED by
the said EDWARD CHARLES PEARCE in } E. C. PEARCE.
the presence of :—

L. M. ff. BEYTAGH.

SIGNED SEALED and DELIVERED by
the said NORMAN OSWALD LIDDELL in } N. O. LIDDELL.
the presence of :—

J. M. McKEE.

SUBSIDIARY COINAGE.

The following interchange of letters with the Senior Consul is included herein for purpose of reference :—

Shanghai, May 29, 1917.

SIR,—I have the honour to enclose herewith 12 copies of a proclamation issued by the Civil and Military Governors of Kiangsu concerning the value and circulation of silver coins and copper cash in all the provinces of China.

The said proclamations have been countersigned by me and I am sending them to you with the request to post them up in the Foreign Settlement of Shanghai.

If more exemplaires are needed kindly let me know.

I have the honour to be, Sir, your obedient servant,
D. SIFFERT,
Senior Consul.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

*Translation of Notification issued jointly by General Feng Kuo-chang, Tschun of Kiangsu, and Tsi Yao-ling,
Civil Governor of Kiangsu : dated May 25, 1917.*

Notice is hereby given that a communication has been received from the Ministry of Finance stating that the Chief Mint has proposed the minting of subsidiary silver coins of 3 denominations, viz., half-dollar, twenty-cent and ten-cent pieces in Peking, Chihli, Shantung and Honan Provinces and subsequently has also proposed the making of subsidiary copper coins of two denominations, viz., 1 cent and half cent values; the Ministry has requested investigation of the subject. This is on record. The Branch Mint at Nanking has now proposed to follow the Chief Mint in the matter of purchasing and destroying the old coins and minting of new ones, and has subsequently asked for the issue of the models for new silver coins of the value of half-dollar, 20-cent and 10-cent pieces and the Ministry has sanctioned the application. The Ministry now finds that the new silver coins as made at the said mint carry weight and fineness in accordance with the regulations for national coinage. The matter seems one of great importance, especially when first putting these coins into circulation, for the purpose of making them as legal tender for the payment of government taxes and other legal obligations for business and private accounts. In all transactions the people should abide by the national coinage regulations in the use of subsidiary coins in multiples of ten, without any discount whatever. Anyone refusing to accept them will be dealt with according to Clause 9 of the National Coinage Regulations. Two half-dollars, five 20-cent pieces or ten 10-cent pieces must be accepted in exchange for a dollar without discount. Any quantity of such subsidiary coins must be accepted on this basis and exchange must be settled by the Government or provincial banks. The same rate of exchange on all legal transactions must be observed. Having communicated with other departments the Ministry requests that instructions be issued to the various subordinate local officials for the issue of notifications for the information of the populace requiring them to observe these regulations. At the same time the Nanking Mint has also reported in the matter. Besides giving the necessary directions to the various subordinate officials to proceed in accordance therewith, the Tschun and Civil Governor in accordance with the communication from the Ministry stating that the Nanking Mint has followed the Tientsin Mint in the minting of silver coins which will be issued shortly the weight and fineness of these coins being in accord with the regulations for national coinage. But as the new coins are being issued for the first time it is feared that people in remote districts may not quite understand, therefore we issue this notification for general information, and the people are directed to act in accordance with these regulations.

Council Room, Shanghai, June 11, 1917.

SIR,—I have the honour to acknowledge the receipt of your letter of May 29, requesting the posting within the Foreign Settlement of a proclamation issued by the Civil and Military Governors of Kiangsu enjoining the acceptance at face value of certain new subsidiary coinage issued by the Nanking Mint and prescribing certain penalties in default.

In reply I have the honour to state that any endeavour that is calculated to place the currency of China upon a stable basis, has the Council's entire support. It is, however, difficult to comprehend how this much desired reform can be achieved or indeed facilitated by the posting of the proclamation within the Settlement, for until the currency of the country has been placed on a stable basis outside the Settlement it cannot be expected that such result can be achieved within it. On the contrary it would seem that the proclamation must either produce no result at all or what is more probable a result that its authors are presumably no less anxious to avoid than the Council, viz., another coinage added to the already far too numerous ones current in the Settlement at the present time.

Perusal of the proclamation moreover discloses several points of doubt upon which I have the honour to request that representations be made to the Chinese Authorities for more precise information :

Will the new coinage be accepted by the Customs, the Chinese banks and by all Government institutions at its face value, that is to say at the rate of 100 cents to the dollar?

Is any distinction to be drawn between Mexican and Chinese dollars and between the several varieties of the latter or are they to be treated alike under the proclamation?

It would seem from the proclamation that the new coinage is to be accepted as legal tender to any amount without limit. Is this the intention?

What steps will be taken for the withdrawal from circulation of the several existing varieties of subsidiary coinage? At what value will they be withdrawn and until withdrawal what value will they bear to the new coinage?

What steps will be taken by the Chinese Government to ensure that the new coinage may always be converted into dollars at its face value without any discount?

In conclusion I have the honour to inform you that the Council inclines to the view that the posting of the proclamation within the Settlement is neither desirable nor necessary, for so soon as the currency of China has been placed on a stable basis in districts outside the Settlement the same result must follow as a natural consequence within the Settlement itself, particularly will this be the case when the Council is able to exercise some measure of control over exchange shops under the powers of licensing contained in the amended Bye-laws, which were passed at the last Annual Meeting of Ratepayers, and of which the approval of the Consular and Diplomatic Bodies is awaited.

I have the honour to be, Sir, your obedient servant,

E. C. PEARCE,

Chairman.

D. SIFFERT, Esq.,

Consul-General for Belgium and Senior Consul.

PUBLIC LIBRARY.

The lamented death of Mr. A. S. Wilson has already been referred to under the heading Permanent Education Committee. Mr. Wilson was also Chairman of the Library Committee, and the vacancy thus brought about was filled by the appointment of Mr. R. F. C. Master, who consented to serve for the remainder of the year : upon the proposal of Dr. MacGillivray, seconded by Mr. Master, Mr. Darwent was elected Chairman of the Committee at its meeting on December 17. No further change took place and the constitution of the Committee now stands as follows :—

Rev. C. E. Darwent (*Chairman*).

Rev. D. MacGillivray, D.D.

Mr. R. F. C. Master.

The Committee met on three occasions and attention was chiefly given to the careful selection and periodical purchase of books. In view of the delay under present conditions between the despatch of indents and the receipt of books ordered thereunder, it was decided, so far as possible, to purchase books locally until normal conditions are restored. 238 new books were added to the Library during 1917, and of a total number of 18,754 books loaned out to subscribers 16,379 related to fictional subjects, the balance being chiefly composed of works of history, travel, etc: 18,980 persons made use of the Reading Room during the year and on December 31, 1917, there were 47 yearly, 24 half-yearly, 54 quarterly and 7 monthly subscribers.

The following notice was re-issued for the information of the public :—

The Library, situated at the northwest corner of the Town Hall, is open to *the public* without charge as a Reading Room from 9 a.m. to 8 p.m. *To Subscribers* for the exchange of books from 9 a.m. to 1 p.m. and from 2.30 p.m. to 7 p.m.

The subscription is as follows :—

\$16 per year
9 " half-year
5 " quarter
2 " month

Subscribers are entitled to the loan of four books at a time, and in addition certain magazines are provided for circulation, of which one at a time is allowed to each subscriber.

The Library contains about 12,650 volumes, of which some 6,400 are devoted to Fiction ; 2,250 to Travel and History ; 1,470 to Biography and the rest to Scientific and General subjects. Additions to these are constantly made.

Residents desirous of subscribing should communicate with Mrs. Allen, the Librarian at the Town Hall.

CHARITY ORGANISATION.

An expression of the Council's appreciation of the services rendered by the Charity Organisation Society, as follows, was conveyed to the Secretary on the occasion of the renewal of the annual grant of Tls. 3,600 for the year 1917:—

Shanghai, February 20, 1917.

DEAR SIR,—I am instructed by the Charity Organisation Society on behalf of the King's Daughters' Society to approach the Council through you for a continuation of the Grant to enable us to carry on the work of the Investigating and Employment Bureau which the Committee trust has given satisfaction during the period that it has been in their hands.

I am, Dear Sir, yours faithfully,

ADA WHEEN.

Secretary.

N. O. LIDDELL, Esq.

Assistant Secretary, Municipal Council.

Council Room, Shanghai, February 23, 1917.

MADAM,—In reply to your letter of February 20, I am directed to convey to you an expression of the Council's appreciation of the services rendered by the Charity Organisation Society since August last in carrying on the work of an investigating and employment bureau, and to inform you that a grant of Tls. 3,600 will be included in the Budget for this year to enable a continuance of this work, carried on by your Society on behalf of the King's Daughters' Society.

I am, Madam, your obedient servant,

N. O. LIDDELL,

Assistant Secretary.

MRS. WHEEN,

Secretary, Charity Organisation Society.

The Council was precluded from according its sanction to the proposal contained in the following letter for the reasons set forth in its reply as appended.

Shanghai, June 8, 1917.

DEAR SIR,—The Charity Organisation Committee having been approached for some time past by Mrs. Wheelock and Mrs. Merriman to take over the Indigent Women's Work Room have, after very careful consideration, decided to carry on the work.

It appears to the Committee that the Indigent Women's Work Room can be self-supporting in the near future but in the meanwhile it will be necessary, with the sanction of the Council, to appropriate some of the present Grant.

The money received from the Treasurer of the late Indigent Woman's Work Room amounts to \$558.44.

I am, Dear Sir, yours faithfully,

ADA WHEEN,

Secretary.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, June 14, 1917.

MADAM,—I am directed to acknowledge the receipt of your letter of June 8, on the subject of the proposed incorporation of the Indigent Women's Work Room by the Society, and requesting permission to appropriate a portion of the Council's grant for the work of supervision.

In reply thereto, I am directed to state that it is regretted that under the decision recorded on page 115A of the Annual Report for 1916, the Council is precluded from sanctioning the use of even a portion of this grant in the manner suggested. As therein set out the purposes for which this grant was specially intended to be used are (a) organisation in preventing duplication of charitable work and (b) operation of an employment bureau.

I am, Madam, your obedient servant,

N. O. LIDDELL,

Acting Secretary.

Mrs. A. WHEEN,

Secretary, Charity Organisation Society.

Report and Statement of the Society's Accounts for 1917.

Shanghai, January 15, 1918.

DEAR SIR,—The Committee of the Charity Organisation beg to hand you a report on their work for the past year together with a statement of their accounts.

Yours truly,
ADA WHEN,
Secretary.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

The Charity Organisation Committee during 1917 consisted of:—

Mrs. H. J. Everall in the Chair.
Mrs. P. A. H. Chambers.
Mrs. A. E. Algar.
Mrs. H. E. Gorton.
Miss M. Jansen.
Mrs. P. M. Lancaster.
Mrs. A. J. Stewart, *Hon. Treasurer.*
Mrs. A. When, *Secretary.*

The Committee of the Charity Organisation beg to enclose a summary of the cases with which they have dealt during the year 1917, together with a statement of accounts.

The total number of cases dealt with amounts to 213 and is made up as follows:—

British	84
Portuguese	51
Filipino	27
American	11
Russian	16
Czech	1
Swiss	1
Roumanian	7
Italian	2
Norwegian	5
Swedish	2
Spanish	2
French	3
Dutch	1

The work has been principally that of investigation: the finding of employment: disbursements on behalf of the different benevolent societies, funds and private individuals. An annual grant of Tls. 50 given to the Charity Organisation Fund from a business firm here has been used in emergency cases where the applicant came under no Consul, Society or benevolent fund. Therefore, the Committee can satisfactorily report that no deserving case applying to them has been left without assistance.

Owing to the increase in work a helper has been engaged at a salary of \$50 a month. It is felt, however, that more efficient assistance is needed to interview applicants and to keep all records. The work may be summarised as follows:—

Class 1	Found Work	62
" 2	Helped in other ways	71
" 3	Assisted to leave Shanghai	29
" 4	Still wanting work	27
" 5	Impossible cases	24

Hereunder will be found some comments on the above list with a few cases which are cited as needing particular attention.

Class 1. Needs no comment.

- " 2. These are cases which have been investigated on behalf of various Consulates, societies and individuals. They comprise interviews, correspondence relating to education and/or domestic matters of various kinds.
- " 3. Thanks to the different Consulates and to the various shipping companies, passages have been obtained for men who, though willing, found it impossible to get work in Shanghai and desired to try other fields.
- " 4. These are in many ways hopeless cases and in fact may be classed with No. 5. For these the Committee is confident that the only remedy would be an alteration in the ruling for vagrancy.

There is a class of men on the books of the Organisation who live on the funds of the different benevolent institutions of the Settlement. Although positions are secured for them they are not kept long owing to indifference, laziness or drink. Classed with these are certain youths who have no intention of working and are obviously living immoral lives; they are a detriment to the welfare of the Settlement. This class is one of the grave problems of Shanghai's future.

The following cases are cited as examples :—

"Z," 22, Single, born at Rangoon, came from Hongkong about 1914. Former Charity Organisation Society stopped helping him in October 1915 as he would not try to get work. Applied here March 3, 1917. On March 12 a position was secured for him in one of the garages, but he would not take it, stating that he thought he could find a position in the Customs. He worked for a time at one of the hotels for his board and lodging. No idea how he lives.

"X" in May applied for assistance to get work, having just come out of gaol. Brother willing to pay his passage to England provided he went to the Front. His father sent him to Singapore but he ran away and was deported from Hongkong. The brother booked a passage to England but he tried to sell the ticket. In June he stole a revolver and was sent to gaol for three months. Out in September when he was given an outfit and efforts were again made to get him away from Shanghai. In November he was again given three months for stealing. The sad part of this case is the apparent influence he has had over his younger brother who has also been sent to gaol for stealing.

From the experience gained in their work during the past year the Committee draws attention to the following urgent needs of the Settlement :—

- (a) The urgent need of temporary accommodation for cases of tuberculosis pending the completion of the new wing of the Isolation Hospital.
- (b) The prevention of influx of undesirables of all nationalities into the Settlement.
- (c) The need for organized recreation centres in the Northern District to counteract the evil influences now existing.

KATE EVERALL,
Chairman.

STATEMENT OF ACCOUNTS. CHARITY ACCOUNT.

Disbursements on account of Local Charity Funds	
Recovered	\$1,370.88
Donations, Tls. 50	69.44
Money refunded	77.25
Loans from Local Charities, etc.	176.00
Separation Allowances	257.14
	\$1,950.71
Rents	\$211.40
School Fees	121.00
Board and Lodging	151.10
Passages paid	252.53
Medical Aid	171.55
Hire of Furniture	35.00
Alms	730.49
Loans repaid	186.00
Miscellaneous	18.95
Balance, Cash in Hand	1.00
" " in Bank	71.69
	\$1,950.71

WORKING ACCOUNT.

Municipal Grant, Tls. 3,600	\$4,963.81
Charges, W. Funder	25.48
Money refunded	13.20
Loans	244.89
Balance from Year ending December 1916	873.65
	\$6,121.03
Salaries and Wages—	\$
Foreigners	2,128.37
Chinese	57.00
	2,185.37
Rent, Taxes, Telephone	691.24
Printing, Stationery, Postage	67.70
Lighting, Fuel, Water	105.28
Furniture and Fittings	579.44
Maintenance and Repairs	49.15
Secretary's travelling expenses	262.00
Sundries	43.70
Loans repaid	244.89
Balance in Bank	1,892.26
	\$6,121.03

Audited and found correct,
H. S. DENNER.

P. M. STEWART,
Treasurer.

SEMAPHORE SERVICE.

The following statement of accounts of the service was forwarded by the French Council in accordance with the arrangement made in 1897 :—

[Translation.]

STATEMENT OF ACCOUNTS, 1917.

<i>Semaphore Service :—</i>	Tls.	Tls.
Foreign Staff	4,580.00	
Chinese Staff	1,102.50	
Subscription to the Observatory	390.00	
Telephone Subscription	237.00	
<i>Miscellaneous expenses :—</i>		
Lighting	146.75	
Watermeter hire	3.30	
Office Heating	36.18	
Adjustment to Meridian Ball	86.20	
Furniture (Maintenance and purchase)	190.33	
Repairs to water pipes	30.00	
Repairs to Clocks	13.00	
Purchase of bunting, wire, rope, etc.	322.05	
Stationery	57.52	
Staff Locomotion	179.79	
Coolies' extras	29.01	
Making Flags (tailors)	55.81	
Maintenance of signals, bicycles, oil, petrol, lime, brooms, etc.	63.35	
		7,522.79
<i>Meteorological Signal Service :—</i>		
Foreign Staff	6,006.74	
Chinese Staff	1,142.25	
Telephone Subscription	145.00	
Lighting and Motor	419.61	
Maintenance of electric apparatus	321.31	
<i>Miscellaneous Expenses :—</i>		
Office Heating	141.80	
Oil for Motor	35.20	
Painting rooms	40.82	
Stationery	47.97	
Purchase and maintenance of material and furniture	190.56	
Locomotion—Tramway Season tickets	106.85	
Miscellaneous petty cash	137.08	
Installation of an instantaneous system and modification of the timing system by Nicolas Tsu	596.50	
		9,331.69
<i>Total expenses for the year :—</i>	Tls.	16,854.48

Of which one-half to be reimbursed by the Municipal Council, Tls. 8,427.24

G. LAFERRIERE,
Secretary, French Municipal Council.

MUNICIPAL STAFF.

WAR SERVICE.—

The following members of the staff availed themselves during the year of the provisions of Order No. 3797 relating to British subjects volunteering for war service, which was published on p. 154B of the Report for 1914.

Health Department.—Inspectors C. Houghton, F. W. Ambrose, and Nurse A. Harding.

Public Works Department.—Messrs. A. C. B. Craddock, 2nd Assistant Engineer, A. J. Clements and T. W. R. Wilson, Surveying Assistants.

Electricity Department.—Mr. G. F. Hoyland, Mains Engineer.

Educational Department.—Mr. H. E. Jones, Assistant Master, Public School for Chinese.

Tax Office.—Mr. A. J. Hadley, Assistant, and Mr. V. H. W. Watton, Junior Assistant.

The death of the following members of the Staff while on active service is recorded with regret.

Police Force.—Sergeants W. H. Coles, J. R. Malone and Warder F. Alderson.

Public Works Department.—Messrs. H. E. Pollard and M. H. Shorto, 2nd Assistant Engineers.

Finance Department.—Mr. C. Wilson, Junior Assistant.

FIRE BRIGADE.—

The service of Mr. H. Lent, Departmental Engineer, terminated on January 31 and Mr. C. Campbell was re-engaged temporarily in his stead. Mr. W. F. Rankin received an appointment as Clerk.

POLICE.—

Inspectors A. H. Aiers and T. I. Vaughan were promoted to be Chief Inspectors on February 1. Sub-Inspectors J. Burnside, R. C. Aiers, J. E. Wheeler, T. Kerrigan and S. C. Young were promoted to the rank of Inspector, while six Sergeants T. H. Steele, J. Sinclair, J. Shaw, C. Maguire, A. H. Aiers and T. P. Givens became Sub-Inspectors. Sergeant W. E. Fairbairn was promoted to the new post of Sergeant-Major and Drill Instructor.

The services of Sub-Inspector Coll, 5 Sergeants and 15 Constables terminated for various reasons and Constable E. W. Overson was transferred to the Gaol as Warder.

Long leave was granted to 1 Sergeant and 2 Constables.

The death of Sergeant C. Hamilton who was shot by armed malefactors on October 24 while in the discharge of his duty is recorded with regret.

In the Gaol Staff the services of Warders H. Champney and F. J. Miles terminated, Mr. H. Stone was appointed in charge of the New Printing Department.

HEALTH DEPARTMENT.—

Mr. H. G. Brewster-Gow was appointed Inspector on probation and Messrs. A. J. R. Hodges and I. G. W. Zahn were engaged temporarily as Sanitary Overseers, the service of the last-named subsequently terminated. Long leave was granted to Inspectors F. W. Ambrose and C. Houghton. Two months leave under medical certificate was granted to Japanese Interpreter Tokichi Torigoye. The death is recorded with regret of Inspector W. J. Dean.

Miss M. M. Murphy was appointed Matron, Isolation Hospital vice Miss A. Bradford resigned and Nurse L. M. Dawson was appointed Acting Matron, Isolation Hospital for Chinese; Nurse Thomas was promoted Matron, Police Hospitals.

In the Nursing Staff 5 European Nurses and 1 Probationer Nurse were engaged and the services of 5 European Nurses, 2 Probationer Nurses and 1 Japanese Nurse terminated.

PUBLIC WORKS DEPARTMENT.—

Mr. H. M. Wood was engaged temporarily as 2nd Assistant Engineer, Mr. H. C. Chalmers as Surveying Assistant and Mr. G. H. Lawrence as Clerk of Works, 2 Assistant Inspectors and 1 Junior Clerk received appointments. The services of the two first named subsequently terminated as also did those of 1 Stenographer, 1 Assistant Inspector and 3 Junior Clerks.

Mr. J. Weidman was promoted Inspector at Pingchiao Quarry vice Inspector D. J. Stuart-Murray resigned.

Three months' special leave was granted to Mr. C. Harpur, Deputy Engineer; long leave was granted to Messrs. A. C. B. Craddock, 2nd Assistant Engineer, T. W. R. Wilson, Surveying Assistant, R. C. Turner, Chief Architectural Assistant, W. H. Etterley, Assistant Superintendent of Parks and Open Spaces, and A. R. Scott, District Inspector.

ELECTRICITY DEPARTMENT.—

The following appointments were made during the year :—Messrs. C. H. Perrin, Mains Engineer, E. M. F. Guignard, Assistant Draughtsman, W. Gardner, Shift Engineer, J. A. Burke-Scott and D. Wilson, Clerical Assistants, the latter temporary, C. H. Carrott, I. Tuttelman, and T. S. Foster temporary Collectors.

The services of Messrs. H. W. Thwaites, House Service Mains Assistant, C. W. Glover, Shift Engineer, J. J. O'Leary, Assistant Storekeeper and T. S. Foster, Collector, terminated.

Long leave was granted to Messrs. G. F. Hoyland, Mains Engineer, C. H. Bailey, Collector, and Miss G. L. Bateman, Correspondence Clerk.

The death is recorded with regret of Collector J. R. Lee.

BAND.—

The following appointments were made during the year :—Messrs. H. E. Kremlia, T. Cruz C. de la Cruz, A. Mendosa, E. Suez, E. Orden and F. Endaya; Mr. H. G. Remedios was engaged as violinist during the winter months.

The services of Assistant Conductor H. Millies, Musicians O. Barz, P. Engel, M. Gareis, J. Profener H. E. Kremlia, H. B. Stone, A. Strok, and F. Udtuhan terminated.

The death is recorded with regret of Musician G. Genovese.

EDUCATIONAL DEPARTMENT.—

Public School for Boys.—Mr. H. L. Fardel was appointed Language Master and the service of Mr. P. Rinaldo terminated. Mrs. F. G. Hunter was engaged temporarily as Assistant Mistress.

Public School for Girls.—A considerable augmentation of the Staff was necessitated by the transfer to the Council on August 6 of the High School and Kindergarten, 88 Avenue Road. The appointment of 3 Assistant Mistresses, Mrs. A. M. Kirk, Miss T. W. Balean, and Miss V. Knight, 2 temporary Assistant Mistresses, Mrs. G. A. Garwood and Mrs. J. M. Wheeler, 1 French Mistress, Madame J. Lepetit, 1 Student Mistress, Miss H. MacGregor and the transfer of Miss M. R. Graham from the Public School for Chinese completed the staff for 1917.

Long leave was granted to Miss A. A. Samson.

Thomas Hanbury School for Boys.—The service of Mr. J. A. Jackson, Assistant Master, terminated on March 15 and Mr. P. Rinaldo was engaged temporarily on September 6. The service of Mrs. K. E. Brown, Assistant Mistress, terminated on March 16, and 5 Assistant Mistresses, Miss A. Laurie-Smith, Miss S. A. Harvey, Mrs. R. T. Rytton, Mrs. M. Saker and Mrs. E. J. O'Toole received temporary appointments. Miss L. Hiron was appointed Matron vice Mrs. K. Artindale resigned.

Thomas Hanbury School for Girls.—The service of Mrs. P. H. Walter (née Rudge), Assistant Mistress, terminated on December 21, and Miss J. Fraser was appointed Matron vice Mrs. M. Groat resigned.

Public School for Chinese.—Mr. H. E. Jones proceeded home on war service on September 1, and 4 Assistant Mistresses, Miss T. M. Pierce, Miss M. D. McKay, Miss F. M. Reid and Mrs. L. C. Passano were engaged, the service of the last named subsequently terminated; Mrs. J. Frost was appointed temporarily as Drawing Mistress.

Ellis Kadoorie Public School for Chinese.—Mr. L. C. Healey was transferred to the Polytechnic Public School for Chinese. Mr. H. McAshan was appointed temporarily as Assistant Master, his service

with that of Mr. O. F. Barcus subsequently terminated. Mrs. A. M. Burke Scott and Mrs. M. J. Gibson were engaged temporarily as Assistant Mistresses.

Nieh Chih Kuei Public School for Chinese.—Miss P. R. Bowditch was appointed an Assistant Mistress on April 6.

Polytechnic Public School for Chinese.—The school was opened on February 7 and for a few months was conducted under the supervision of the staff of the Public School for Chinese. Mr. L. C. Healey was appointed Acting Headmaster on July 1 during the absence on War Service of Mr. S. Rayner.

FINANCE DEPARTMENT.—

Mr. A. W. Macphail was appointed to the post of Chief Accountant on January 1. The temporary service of Mr. D. L. Twomey terminated on December 31.

SECRETARIAT.—

On January 13 Mr. J. B. A. Mackinnon, Acting Secretary, died at the Victoria Nursing Home after a short but severe illness. At the ensuing meeting of the Council on January 17 the Chairman referred to his decease in the following terms :—

Mr. Mackinnon was appointed Senior Assistant Secretary on March 1, 1906, he acted on various occasions as Secretary to the Council, and the highly satisfactory manner in which he performed his duties elicited expressions of commendation and approval, which were from time to time duly recorded in the minutes.

By his death the Council and the Community have lost a valuable servant whose interest and enthusiasm in the work of administration of public affairs were unflagging. To this work he was devoted in a measure entirely beyond praise; his ability and linguistic attainments marked him out as a man of more than usual qualifications for the responsible position which he held and his early demise at the age of 35 years has created a gap which in these difficult times it will be hard to fill. His kindly disposition made for him many friends and his loss is to them a keen personal one.

The members unanimously associate themselves with these sentiments and it is decided to record an expression of deep regret and sympathy with Mr. Mackinnon's parents and with the other members of his family in their sad bereavement.

During the continued absence of Mr. W. E. Leveson on War Service, and in succession to the late Mr. Mackinnon, Mr. N. O. Liddell, Assistant Secretary, has acted as Secretary to the Council.

Mr. R. A. Parker combined the supervision of Chinese translations, etc., with that of Acting Director of Chinese Study. Mr. J. M. McKee was appointed to the post of Chief Clerk on February 1 and Mr. N. M. Harloe received an appointment as an Assistant. The service of Mr. C. T. Hall, Junior Assistant, terminated on August 3, and Miss M. Roberts and Miss K. H. Smith received temporary appointments as Stenographers.

In the Tax Office long leave was granted to Messrs. A. J. Hadley, Assistant, V. H. W. Watton, Junior Assistant, D. McAlister, Inspector of Taxes, and 3 months' special leave to Collector E. Zillig. Collector J. A. J. Johansson was promoted Licensing Inspector. Messrs. E. A. Lake and F. Henry received appointments as Collector and Junior Assistant respectively.

The following return shows the personnel of the Municipal Foreign Staff on December 31, 1917, with the dates of expiry of agreements where existing :—

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement, where existing.
VOLUNTEER CORPS.			
Sergeant-Major	S. Wise	Dec 4 1915	Jan 28 1919
Quartermaster-Sergeant	W. T. Rose	Mar 16 1910	Dec 31 1918
FIRE BRIGADE.			
Chief Officer	M. W. Pett	Nov 16 1912	Dec 23 1918
Acting Departmental Engineer	C. Campbell	Feb 1 1917	
Clerical Assistant	H. Upton	Mar 1 1915	Feb 28 1918
Clerk	W. F. Rankin	Dec 17 1917	

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement, where existing.
POLICE FORCE.			
Captain-Superintendent	K. J. McEuen	Apl 19 1900	Sep 15 1919
Deputy Superintendent	Major A. H. Hilton-Johnson	Apl 15 1908	do.
Assistant Superintendent	Capt. E. I. M. Barrett	May 1 1907	
do.	(R. M. J. Martin)	Nov 10 1905	
do.	M. O. Springfield	do.	
Chief Detective Officer	(C. G. Kirk)	Nov 9 1910	
Legal Assistant	K. E. Newman	Jan 9 1914	Feb 16 1920
Cadet	(K. M. Bourne)	Jun 12 1914	
do.	(F. L. Wainwright)	do.	
Chief Inspector	J. Ramsay	Aug 31 1883	Aug 30 1918
do.	T. M. Wilson	Sep 20 1883	Mar 14 1920
do.	J. Bourke	Nov 16 1886	Feb 25 1919
do.	A. H. Aiers	Nov 1 1889	Jan 31 1918
do.	T. I. Vaughan	Nov 16 1900	Nov 15 1920
Chief Detective Inspector	W. Armstrong	Aug 1 1893	Jul 31 1918
1st Class Inspector	C. Dewing	Mar 25 1901	Mar 24 1918
do.	W. R. Kinipple	Jul 10 1903	Aug 16 1918
do.	E. H. Lynch	Aug 7 1895	May 15 1918
do.	J. McGregor	Mar 19 1891	Feb 24 1919
do.	A. Eek	Jan 9 1893	Oct 4 1918
do.	T. W. Spottiswoode	Dec 1 1896	Aug 26 1919
do.	G. W. Merrison	Jun 14 1899	Mar 6 1920
do.	G. Johnson	Sep 14 1896	Oct 25 1919
2nd Class Inspector	M. Fitzgibbon	Jan 4 1900	Jan 3 1920
do.	J. O'Toole	do.	do.
3rd Class Inspector	J. Burnside	Dec 27 1900	Dec 26 1920
do.	R. C. Aiers	Mar 17 1900	Mar 18 1918
do.	J. E. Wheeler	Nov 19 1902	Jan 14 1918
do.	T. Kerrigan	Mar 4 1905	Apr 20 1920
do.	S. C. Young	Sep 14 1904	Nov 7 1919
Sub-Inspector	W. H. Howell	May 17 1900	Mar 14 1918
do.	W. G. Brown	Feb 21 1899	Dec 29 1919
do.	M. Gibson	Jan 4 1900	Jan 3 1920
do.	A. McGregor	Jul 17 1902	Jul 16 1919
do.	P. W. Reeves	Nov 19 1902	Jan 14 1918
do.	J. Dee	Jan 4 1900	Jan 3 1920
do.	(C. Mills)	Jul 17 1903	
do.	W. Brewster	Jul 22 1905	Jul 21 1920
do.	J. Cruickshank	do.	do.
do.	T. H. Steele	May 25 1906	Jul 2 1918
do.	J. Sinclair	Dec 21 1907	Feb 9 1920
do.	J. Shaw	Oct 24 1903	Oct 23 1918
do.	C. Maguire	Mar 4 1905	Apl 20 1920
do.	A. H. Aiers	Nov 7 1902	Dec 22 1920
do.	T. P. Givens	Jan 19 1907	Mar 3 1919
Sergeant Major and Drill Instructor	W. E. Fairbairn	Oct 26 1907	Dec 11 1919
1st Class Sergeant	J. Campbell	Sep 14 1904	Nov 7 1919
do.	S. Costelloe	Mar 4 1906	Apl 4 1918
do.	T. Crookdake	Feb 2 1906	Mar 12 1918
do.	P. J. Doyle	Mar 23 1903	Mar 22 1918
do.	A. J. Ferguson	Oct 31 1905	Dec 8 1920
do.	(W. M. McSwiney)	Apl 28 1905	
do.	W. Moore	Aug 3 1905	Sep 12 1920
do.	W. Whiting	do.	do.
do.	J. Hamilton	Sep 29 1906	Dec 4 1918
do.	P. Lavelle	Apl 9 1906	Apl 8 1918
do.	P. J. Dunne	Mar 4 1906	Apl 4 1918
do.	T. Foley	Aug 25 1906	Oct 19 1918

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement where existing.
1st Class Sergeant	M. Gauly	Aug 25 1906	Oct 19 1918
do.	(M. O'Regan)	Sep 14 1904	
do.	J. A. Mackenzie	May 25 1906	Jul 2 1918
do.	T. McKenna	Jan 19 1907	Mar 3 1919
do.	T. Brown	Apl 10 1907	May 6 1919
do.	J. Colter	Mar 16 1907	Apl 30 1919
do.	G. Hermitage	Nov 16 1905	Nov 15 1920
do.	J. F. Prosser	May 11 1907	Jun 27 1919
do.	J. Sullivan	Mar 16 1907	Apl 30 1919
do.	T. Elliott	do.	do.
do.	W. Jones	Jan 10 1907	Feb 6 1919
do.	James McKenzie	May 11 1907	Jun 27 1919
do.	J. Rush	Apl 10 1907	May 6 1919
do.	G. Sale	Jan 19 1907	Mar 3 1919
do.	C. H. Taylor	do.	do.
do.	J. Wilson	Jan 10 1907	Feb 6 1919
do.	J. W. Prince	May 11 1907	Jun 27 1919
do.	J. Anderson	Feb 5 1908	Mar 31 1920
do.	F. Langford	Dec 21 1907	Feb 9 1920
do.	C. Morris	Oct 12 1907	Nov 24 1919
do.	W. C. Woodfield	Oct 12 1907	Nov 24 1919
do.	J. F. W. Milne	do.	do.
do.	A. G. Long	Jan 19 1907	Mar 3 1919
do.	C. H. Lilley	Feb 15 1908	Mar 31 1920
do.	J. H. Tait	Nov 23 1907	Jan 11 1920
do.	G. C. Holt	Jan 19 1907	Mar 3 1919
do.	G. Morgan	Nov 22 1907	Nov 21 1919
do.	H. E. Peck	Jun 20 1908	Aug 2 1920
do.	I. C. Kiloh	Apl 25 1908	Jun 16 1920
do.	A. Mackintosh	Jan 19 1907	Mar 3 1919
do.	W. Abbott	Oct 12 1907	Nov 24 1919
do.	J. A. Nield	Nov 23 1907	Jan 11 1920
do.	A. Paterson	Jun 20 1908	Aug 2 1920
do.	B. J. Selvey	Apl 25 1908	Jun 16 1920
do.	M. L. Baillie	Dec 21 1907	Feb 9 1920
do.	G. McKay	Oct 12 1907	Nov 24 1919
do.	R. Wilson	Feb 15 1908	Mar 31 1920
do.	P. Curtin	Nov 7 1908	Dec 25 1920
do.	A. J. Emery	Oct 26 1907	Dec 11 1919
2nd Class Sergeant	(A. J. P. Coghlan)	Oct 12 1907	
do.	(W. W. Kay)	do.	
do.	(E. L. Gladwish)	Feb 15 1908	
do.	(W. D. McGillivray)	Dec 19 1908	Feb 1 1918
do.	T. Dunne	Nov 7 1908	Dec 25 1920
do.	(P. Dowding)	Apl 25 1908	
do.	(W. McGillivray)	Oct 9 1909	Nov 26 1918
do.	C. Powell	Nov 7 1908	
do.	F. Shipley	do.	Dec 25 1920
do.	E. Ring	Dec 19 1908	Feb 1 1918
do.	J. Hunter	Dec 31 1910	Feb 14 1920
do.	P. S. Page	Mar 25 1911	May 6 1920
do.	R. Ockwell	Dec 19 1908	Feb 1 1918
do.	L. E. Todd	Jun 20 1908	Aug 2 1920
do.	W. Spark	Apl 25 1908	Jun 16 1920
do.	G. Gilbert	May 7 1910	Jun 19 1919
do.	R. J. Crouch	Dec 23 1910	Feb 21 1920
do.	C. McGillivray	Dec 19 1908	Feb 1 1918
do.	S. H. Rawlings	Nov 7 1908	Dec 25 1920
do.	T. Robertson	Mar 25 1911	May 17 1920

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement where existing.
1st Class Sergeant	J. G. Adams	Nov 7 1908	
do.	W. Robertson	Jan 3 1911	Feb 11 1920
do.	D. J. Webb	Mar 25 1911	May 6 1920
3rd Class Sergeant	(J. Ross)	Dec 23 1910	
do.	(H. J. Beach)	Oct 9 1909	
do.	(D. McInnes)	Nov 19 1910	
do.	(T. H. Odey)	Feb 26 1910	
do.	(E. F. Walker)	Mar 10 1910	Apr 27 1919
do.	(C. E. Beale)	Jun 4 1910	
do.	W. Champney	Dec 21 1907	Feb 9 1920
do.	(E. E. Pilbeam)	Sep 9 1910	
do.	G. Sadler	Sep 9 1910	Oct 16 1919
do.	P. Keane	Sep 5 1911	Oct 24 1920
do.	C. W. Higge	Dec 31 1910	Feb 14 1920
do.	F. C. Bridger	Aug 26 1911	Oct 9 1920
do.	D. Ginnane	Jan 6 1912	Jan 22 1918
do.	J. Mason	Sep 14 1912	Oct 27 1918
do.	F. Mitchell	Jan 3 1913	Feb 17 1919
do.	J. A. Quayle	Jan 6 1912	Jan 22 1918
do.	J. Sullivan	do.	do.
do.	R. W. Yorke	Jan 3 1913	Feb 17 1919
do.	B. Hemingway	do.	do.
do.	J. Robertson	May 10 1913	Jun 22 1919
do.	J. J. Kilkenny	do.	do.
do.	A. O'Dwyer	Jan 6 1912	Jan 22 1918
do.	N. White	May 10 1913	Jun 22 1919
do.	J. Knight	Jan 24 1914	Mar 9 1920
do.	G. H. Hall	Mar 25 1911	May 6 1920
do.	A. S. Sullivan	Sep 5 1911	Oct 24 1920
do.	C. Doyle	Sep 14 1912	Oct 27 1918
do.	H. Schmidt	Feb 12 1913	May 11 1919
do.	W. J. MacDermott	Jan 24 1914	Mar 9 1920
do.	H. J. Jefferson	May 10 1913	Jun 22 1919
do.	F. A. Treacher	do.	do.
1st Class Constable	(C. Burnie)	Jun 20 1908	
do.	(W. J. Elliott)	Aug 26 1911	
do.	(H. Young)	Feb 26 1910	Apl 10 1919
do.	T. J. Fitzpatrick	Sep 14 1912	Oct 27 1918
do.	J. Lawson	do.	do.
do.	E. C. Rock	do.	do.
do.	M. Fitzpatrick	Jan 6 1912	Jan 22 1918
do.	W. T. Bartlett	Jan 3 1913	Feb 17 1919
do.	A. Groves	do.	do.
do.	E. Ritchie	do.	do.
do.	C. J. Bull	May 10 1913	Jun 22 1919
do.	R. Shellswell	do.	do.
do.	C. Schooler	May 7 1914	Jun 19 1920
do.	J. B. Clissold	Jan 24 1914	Mar 9 1920
do.	W. Howells	do.	do.
do.	C. W. Morgan	do.	do.
do.	J. Watson	do.	do.
do.	J. Withers	do.	do.
do.	H. C. Pelling	May 7 1914	Jun 19 1920
do.	C. J. Curtis	do.	do.
do.	A. J. Knight	do.	do.
2nd Class Constable	(J. F. Gabbutt)	Sep 14 1912	
do.	(W. J. Russell)	do.	
do.	(N. J. Bournes)	Jan 3 1913	
do.	(W. M. Calder)	do.	

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement where existing.
2nd Class Constables	(R. Conduit)	May 10 1913	
do.	(A. Peters)	do.	
do.	(A. D. Hendry)	do.	
3rd Class Constable	(J. W. Litt)	May 10 1913	
do.	(E. Fearon)	Jan 24 1914	
do.	(J. F. Lovell)	Mar 1 1914	
do.	(E. A. Eva)	May 7 1914	
do.	(J. W. F. Mackenzie)	do.	
do.	(C. G. Phillips)	do.	
do.	(F. C. Stubbings)	do.	
do.	(A. D. Trowell)	do.	
Probationary Constable	(A. M. Cameron)	Sep 15 1914	
Head Gaoler	C. Weatherhead	Dec 28 1901	Dec 27 1919
Assistant Gaoler	R. Sims	Jan 6 1905	Feb 13 1920
Senior Warder	D. McKenzie	Nov 3 1906	Dec 23 1918
do.	M. Hally	Mar 4 1905	Apl 20 1920
do.	J. F. Franklin	Dec 21 1907	Feb 9 1920
do.	H. Radford	Feb 26 1910	Apl 10 1919
1st Class Warder	R. C. Blyton	Jul 10 1909	Aug 9 1918
do.	(F. Reuter)	Jan 3 1911	
do.	(F. Buckingham)	Dec 31 1910	
do.	F. Down	Mar 25 1911	May 6 1920
do.	(A. H. Chamberlain)	do.	
do.	V. G. Westwood	Aug 26 1911	Oct 9 1920
do.	J. W. Jackson	Aug 27 1910	Oct 13 1919
do.	(W. C. Grant)	do.	
do.	M. Hanrahan	Jan 24 1914	Mar 9 1920
do.	J. R. Vousden	do.	do.
do.	E. W. Overson	Jan 3 1913	Feb 17 1919
3rd Class Warder	(J. Reynolds)	Sep 14 1912	
Printer	A. Stone	Oct 1 1917	
Japanese Interpreter	Motoaki Nakai	Apl 1 1909	Mar 31 1920
do.	Suyezo Nakagawa	do.	do.
do.	Tsunesaki Maruyama	Aug 13 1910	Aug 12 1920
do.	Komajiro Menju	Jun 7 1917	

HEALTH DEPARTMENT

Health Officer	A. Stanley, M.D., B.S., (Lond.), D.P.H.	Feb 11 1898	
Assistant Health Officer	A. Moore, M.D. (Dub.), D.P.H., D.T.M.	Jan 10 1902	Jan 9 1920
2nd Assistant Health Officer	C. N. Davis, M.D. (Lond.), D.P.H., D.T.M.	Jan 17 1908	Feb 24 1920
Assistant	(F. G. C. Walker, A.I.C.)	Aug 3 1905	
do.	E. O. Wilson	Aug 27 1909	Oct 2 1918
Chief Inspector	(H. Bland)	May 26 1904	
do.	C. Hill	Mar 8 1900	Apl 16 1918
do.	E. Kilner	Aug 21 1902	Sep 30 1920
do.	F. J. W. Melville	May 1 1906	Jun 30 1919
Inspector	(F. W. Ambrose)	Jul 10 1911	Jul 9 1920
do.	H. G. Brewster-Gow	Apr 10 1917	
do.	R. W. Burton	Mar 5 1915	Mar 4 1918
do.	(A. J. Castle)	Jan 1 1914	
do.	C. Champion	Mar 1 1891	Dec 31 1918
do.	F. J. Drakeford	May 1 1916	Jul 31 1919
do.	J. S. Graham	Oct 1 1911	Dec 31 1918
do.	G. B. Haines	Jun 1 1913	Aug 31 1919
do.	(C. Houghton)	Jun 9 1899	Jun 8 1919
do.	N. J. Hughes	Mar 1 1916	May 31 1919
do.	D. P. W. Jones	Apl 1 1910	Mar 31 1919
do.	(W. R. O. W. Melville)	Jun 7 1911	
do.	M. A. Popp	Mar 13 1911	Mar 12 1920

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement where existing.
Inspector	B. T. Prideaux	Sep 10 1907	Dec 31 1918
do.	H. V. Starling	Oct 3 1905	do.
do.	W. J. Terrill	Jul 1 1906	do.
do.	G. J. Turnbull	Apl 1 1910	Mar 31 1919
do.	P. Veit	May 26 1911	Dec 31 1918
do.	A. Watson	Mar 23 1903	do.
Sanitary Overseer	A. J. R. Hodges	Mar 19 1917	
do.	G. Mingozzi	Mar 26 1915	May 13 1920
Japanese Interpreter	Tokichi Torigoye	May 1 1913	May 31 1919
Matron, Victoria Nursing Home	Miss E. Summerskill	Aug 30 1907	Aug 13 1918
do. Isolation Hospital	Miss M. M. Murphy	Nov 11 1904	Sep 16 1920
Acting do. Isolation Hospital for Chinese	Miss L. M. Dawson	Jul 25 1913	Aug 31 1919
Matron, Police Hospitals	Mrs. E. Thomas	Jun 21 1907	Jul 28 1919
do. Mokanshan Sanatorium	Mrs. M. Garton-Stone	Dec 12 1914	Dec 11 1920
Nurse	Miss J. F. Black	Jan 13 1917	Mar 17 1920
do.	Miss M. Buchanan	Sep 18 1915	Oct 30 1918
do.	Miss M. I. Clarke	Jul 10 1914	Aug 21 1920
do.	Miss L. J. Corin	Jun 23 1916	Aug 6 1919
do.	Miss D. M. Dalton	Jul 25 1913	Aug 31 1919
do.	Miss M. I. Drake	Jan 13 1917	Mar 17 1920
do.	Miss M. S. A. Grimes	Apl 24 1908	May 31 1920
do.	Miss M. Hirata	Feb 15 1912	
do.	Miss M. Hisako	Jun 1 1916	
do.	Miss C. Hutton	Apl 28 1905	Apl 24 1918
do.	Miss E. McNelly	Mar 7 1913	Apr 14 1920
do.	Miss G. Morris	Oct 23 1914	Oct 22 1920
do.	Miss E. Norsworthy	Feb 18 1915	Feb 17 1918
do.	Miss E. Petry	Jul 7 1916	Aug 18 1919
do.	Miss B. Phillips	Jun 28 1914	Jul 12 1920
do.	Miss E. Rice	May 3 1914	May 17 1920
do.	Miss A. T. Robinson	Jan 13 1917	Mar 17 1920
do.	Miss F. H. Saunders	Sep 18 1915	Oct 30 1918
do.	Miss S. Seki	Jun 1 1916	Jun 14 1919
do.	Miss E. Stillwell	Jun 28 1914	Jul 12 1920
do.	Miss E. J. Swinton	Dec 1 1913	Nov 30 1919
do.	Miss A. A. Thomlinson	Mar 22 1914	Apl 6 1920
Assistant Nurse	(Miss A. Harding)	Apl 25 1906	Apl 24 1918
do.	Miss O. M. Randall	Mar 19 1917	Mar 18 1920
do.	Miss M. H. Walsh	do.	do.
Probationer	Miss A. V. Berthet	Oct 15 1916	Oct 14 1919
do.	Miss A. M. Donald	Jan 24 1916	Jan 23 1919
do.	Miss D. C. Heal	Apr 1 1917	Mar 31 1920
do.	Mrs. M. M. Hutchison	Dec 6 1915	Dec 5 1918
do.	Miss F. Taylor	Feb 1 1915	Feb 10 1918
Attendant, Victoria Nursing Home	G. Macdonald	Oct 26 1907	Dec 11 1919
Female Attendant, Mental Ward	Mrs. A. M. Corti	Dec 1 1915	Oct 31 1919
Custodian, Isolation Hospital	W. Palmer	Nov 1 1910	May 31 1919
Housekeeper, Victoria Nursing Home	Miss M. G. Newbery	Mar 1 1916	Feb 28 1919

PUBLIC WORKS DEPARTMENT.

Engineer and Surveyor	C. H. Godfrey, M.Inst.C.E.	Dec 10 1897	Nov 28 1918
Deputy Engineer and Surveyor	C. Harpur	Jul 25 1902	Dec 31 1918
Chief Assistant Engineer	(J. E. Needham)	Dec 2 1904	
Assistant Engineer	F. G. Helsby, Assoc. M.Inst. C.E.	Apl 19 1907	May 19 1919
2nd Assistant Engineer	(A. C. B. Craddock)	Sep 5 1912	Sep 8 1918
do.	H. F. Merrill	Jun 9 1916	
Junior Assistant Engineer	K. H. Gardner	Jul 10 1916	

Office.	Name.	Date of Entering the Service.	Date of Exiry of Agreement where existing.
Engineering Assistant	J. B. Johns	Apl 24 1907	Apl 23 1919
do.	C. Lüthy	May 1 1909	Apl 30 1918
Chief Architectural Assistant	R. C. Turner	Mar 11 1904	Apl 13 1919
Architectural Assistant	R. C. Young	Nov 22 1907	Dec 30 1919
do.	(R. L. Wall, A.R.I.B.A.)	Apl 21 1913	
Chief Surveying Assistant	W. E. Sauer	Oct 22 1903	Feb 28 1918
Surveying Assistant	P. Ayres	Jan 21 1914	Jul 6 1920
do.	(F. P. Bartley)	Oct 18 1906	Nov 23 1918
do.	C. Cazier	Nov 17 1914	Apl 30 1919
do.	(A. J. Clements)	Nov 20 1911	
do.	(A. F. Gimson, B.Sc., Lond.)	Apl 21 1913	
do.	L. W. D. Hoffman	Jun 10 1907	Dec 31 1918
do.	L. J. Hughes	Jun 15 1914	Jun 28 1920
do.	E. McIntyre	do.	do.
do.	W. A. L. Pardoe	Apl 21 1913	May 4 1919
do.	R. P. Roberts	Apl 1 1914	Mar 31 1920
do.	R. E. Scatchard	Feb 16 1906	Mar 25 1918
do.	T. W. R. Wilson	Apl 15 1907	Apl 15 1919
Building Surveyor	H. Ross	Oct 24 1904	
Chief Clerk	A. Diercking	Dec 1 1899	Dec 31 1918
Clerical Assistant	W. Harvey	Oct 1 1914	Sep 30 1920
do.	B. Hunting	Mar 1 1916	Feb 28 1919
do.	R. Kaarsberg	Aug 11 1916	
do.	W. Stuart	Apl 3 1916	
do.	(G. H. Rendall)	May 18 1902	
do.	T. Thurnheer	Jul 1 1903	Jun 30 1918
Stenographer and Typist	Miss G. McInnes	Feb 1 1905	Jan 31 1920
Superintendent of Parks and Open Spaces	D. MacGregor	Jan 22 1904	Feb 28 1919
Assistant do.	W. H. Etterley	Sep 9 1910	Oct 17 1919
Park Keeper	R. R. Crooks	Mar 1 1915	Feb 28 1918
Clerk-of-Works	W. J. Bidgood	Aug 14 1908	Sep 18 1920
do.	J. Eitter	Mar 1 1882	Dec 31 1920
do.	W. S. Hibbard	Oct 10 1906	Sep 30 1920
dy.	G. H. Lawrence	Jun 6 1917	
do.	W. A. B. Leach	Sep 18 1902	
do.	L. Spiegler	Nov 9 1914	Nov 8 1920
Overseer, Pingchiao Quarry	J. Weldman	Aug 1 1915	Apl 30 1920
Assistant Inspector do.	A. T. Kriger	Aug 11 1916	
District Inspector, Concreteware Yard	J. Lamont	Sep 15 1914	Sep 14 1920
District Inspector	H. H. Cox	Jan 1 1916	May 31 1920
do.	W. V. Field	Sep 17 1910	Sep 16 1919
do.	H. Fitzgeorge	Sep 15 1914	Sep 14 1920
do.	(A. T. Gray)	Aug 14 1908	
do.	R. J. Harris	Apl 1 1912	Dec 31 1918
do.	J. Johnstone	Jul 1 1916	May 31 1920
do.	(H. E. Jones)	May 13 1907	
do.	M. MacLennan	Nov 1 1906	Dec 31 1918
do.	J. Pringle	Mar 11 1911	do.
do.	P. Ryan	Dec 16 1913	Mar 15 1920
do.	H. Schultz	May 28 1884	
do.	A. R. Scott	Sep 2 1912	Oct 31 1918
do.	A. R. White	Jun 1 1908	Sep 16 1918
Assistant District Inspector	J. T. Course	May 7 1916	May 6 1919
do.	(W. Fletcher)	May 8 1915	
do.	H. Gilbert	Oct 1 1917	
do.	T. V. Jenkins	Jun 9 1917	Aug 31 1920
do.	P. A. Russell	Dec 16 1913	Mar 15 1920
do.	E. E. Sizemore	Jul 18 1916	
Custodian, Town Hall	W. J. Roberts	Feb 15 1881	Dec 31 1918

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement where existing.
ELECTRICITY DEPARTMENT.			
Engineer-in-Chief and Manager	T. H. U. Aldridge, M.I.E.E., M.I.Mech.E.	Mar 21 1901	Apl 30 1919
Deputy Engineer-in-Chief and Manager	A. H. Blagden, A.M.I.E.E., A.M.I.Mech.E.	May 15 1902	Jun 22 1920
Chief Assistant Engineer	W. J. Williams, A.M.I.E.E., M.A.Met.E.E.	May 29 1911	May 28 1920
Chief Mechanical Assistant	(F. G. Payne, A.M.I.Mech.E.)	Jul 8 1904	
Consumers' Engineer	(R. A. Williams, B.Sc. (Wales) A.M.I.E.E. A.M.I.Mech.E.)	May 22 1910	
Power Stations Superintendent	W. E. Nops	Nov 29 1904	Jan 8 1920
Foreman Mechanic	P. B. Critchley	Aug 27 1903	Aug 26 1920
Second Foreman Mechanic	S. T. Clark	May 24 1912	May 23 1918
Electrical Assistant in Power Station	J. E. Wilson	May 4 1913	May 18 1919
Shift Engineer	A. D. Buchanan	Jan 12 1913	Jan 26 1919
do.	W. Gardner	Oct 11 1917	
do.	A. A. Malcolm	Mar 1 1915	Feb 28 1918
do.	A. H. Meggitt	Apl 19 1916	Apl 18 1919
do.	(A. Mitchell)	Mar 14 1910	
do.	J. C. O'Kane	Nov 29 1915	Nov 28 1918
do.	R. Peden	May 29 1915	May 28 1918
do.	T. Rogers	Jul 6 1913	Jul 20 1919
do.	L. Smith	Feb 1 1916	Jan 31 1919
do.	J. Stoddart	Mar 2 1914	Mar 1 1920
Mains Engineer	(G. F. Hoyland)	Feb 2 1913	Feb 16 1919
do.	C. H. Ferrin	Apl 1 1917	
Assistant Mains Engineer	O. L. Ilbert, A.M.I.E.E.	Nov 29 1904	Jan 8 1920
do.	(W. B. Betts)	Jan 29 1914	
do.	C. Knight	Jul 25 1913	Aug 10 1919
House Service Mains Assistant	F. J. Gayes	Mar 17 1912	Apl 8 1918
do.	J. F. Jones	Oct 20 1912	Nov 3 1918
Mains Foreman	A. Leach	Jun 18 1911	Jul 3 1920
do.	G. A. Marshgreen	Aug 25 1912	Sep 8 1918
do.	J. J. Marshgreen	Jun 18 1911	Jul 3 1920
do.	H. Perry	Jan 1 1915	
Sub-Station and Power Engineer	C. S. Taylor, A.M.I.E.E.	Mar 10 1913	Mar 9 1919
Assistant Power Engineer	G. Ewart	Nov 25 1907	Nov 24 1919
Power Department Assistant	J. J. Brooks	Nov 13 1914	
Senior Installation Inspector	W. J. Furness	Mar 11 1907	Mar 10 1919
Installation Inspector	J. J. Murphy	Jul 6 1913	Jul 20 1919
Assistant do.	W. F. Dearn	Jan 18 1905	Apl 22 1920
Meter Engineer	V. Olsen, Assoc. Asst. I.E.E.	Aug 15 1910	
Assistant Meter Tester	M. P. Baker	Apl 6 1913	Apl 20 1919
do.	(F. H. Lawrence)	Apl 13 1913	
do.	F. Ward	Mar 13 1907	Mar 12 1919
do.	C. Ward	Aug 22 1910	Aug 21 1919
Draughtsman	C. E. Pearson	Jul 1 1912	Jun 30 1919
Assistant Draughtsman	E. M. F. Guignard	Apl 2 1917	
Secretary	H. B. Woodford	Aug 30 1907	Apr 9 1919
Clerk	J. F. Caie	Sep 22 1914	
do.	W. T. Bertenshaw	Aug 23 1909	Aug 22 1918
do.	J. A. Burke-Scott	Sep 1 1917	
do.	W. S. Clay	May 2 1909	May 19 1918
do.	W. C. Fisher	Dec 1 1916	
do.	W. G. H. Forrest	Aug 1 1916	Jul 31 1919
do.	S. M. Gidley	Oct 1 1915	Sep 30 1918
do.	A. Habecost	May 1 1914	Apl 30 1920
do.	T. H. Harden	Nov 1 1915	
do.	J. W. Harding	Sep 29 1911	Oct 16 1920
do.	(H. McAdam)	Sep 1 1911	
do.	(C. A. Peake)	Apl 1 1914	

Off. c.	Name.	Date of Entering the Service.	Date of Expiry of Agreement where existing.
Clerk	J. A. Smallbones	Nov 2 1914	Nov 1 1920
do.	(C. J. Smith)	May 17 1914	
do.	D. Wilson	Jun 15 1917	
Junior Clerk	(R. B. Roach)	Dec 16 1912	
Correspondence Clerk	Miss G. L. Bateman	Mar 16 1914	Jun 15 1920
Stenographer and Typist	Miss D. M. Dixon	Jan 2 1913	
do.	Miss A. M. Gutierrez	Oct 15 1910	Oct 14 1919
do.	Miss S. E. Johansson	Jun 26 1914	
Storekeeper	A. Kane	Nov 16 1903	
Assistant Storekeeper	H. J. Andrews	Jun 1 1913	May 31 1919
do.	A. L. Biggs	Feb 1 1916	Aug 30 1919
do.	(H. G. Reed)	Dec 18 1914	
Show Room Assistant	N. Bowey, A.M.I.Mech.E.	Jan 12 1913	Jan 26 1919
do.	(M. Conlon)	Feb 1 1908	
do.	A. E. Knibb	May 20 1915	May 19 1919
Collector	C. H. Bailey	Jun 1 1912	May 31 1919
do.	C. H. Carrott	Apl 10 1917	
do.	(A. Murphy)	Aug 25 1906	
do.	I. Tuttelman	Jun 4 1917	
do.	C. Wagstaff	May 1 1904	Apl 30 1919
Meter Inspector	O. Hedin	Jun 17 1898	Jun 16 1918
do.	(T. Murphy)	May 10 1909	
do.	F. W. Snape	Apl 20 1910	Apl 19 1919

PUBLIC BAND.

Conductor	Professor R. Buck	Nov 24 1906	Dec 23 1918
Musician	D. Alberti	Feb 16 1915	Feb 15 1918
do.	W. Biswang	Nov 7 1906	Dec 23 1918
do.	J. Brandt	Dec 23 1912	Jan 7 1919
do.	L. Cattapan	Jul 7 1914	Jul 6 1920
do.	R. Dramis	Jun 1 1916	Nov 30 1919
do.	A. de Kryger	Sep 5 1909	Sep 22 1918
do.	T. Percu	Dec 6 1916	Jun 5 1920
do.	G. Preussler	Nov 7 1906	Dec 23 1918
do.	H. G. Remedios	Nov 1 1917	
do.	G. Alberto	Jun 20 1911	Jun 14 1920
do.	V. Bagaman	May 15 1916	May 14 1919
do.	P. Bonifacio	Jun 1 1916	May 31 1919
do.	P. Brevia	Jun 20 1911	Jun 14 1920
do.	F. Calibo	Jul 1 1905	Jun 30 1920
do.	C. de la Cruz	Nov 1 1917	Oct 31 1920
do.	M. de la Cruz	Mar 25 1913	Mar 24 1919
do.	T. Cruz	Mar 14 1917	Mar 13 1920
do.	P. Dias	Jun 20 1911	Jun 14 1920
do.	F. Endaya	Nov 1 1917	Nov 10 1920
do.	P. Fernandez	Oct 15 1914	Oct 14 1920
do.	C. Legaspi	Jul 1 1905	Jun 30 1920
do.	A. Mendosa	Jan 1 1917	Dec 31 1919
do.	M. Muyot	Jun 20 1911	Jun 14 1920
do.	E. Orden	Nov 1 1917	Nov 10 1920
do.	J. Pintado	Jun 20 1911	Jun 14 1920
do.	B. Sado	Jul 1 1905	Nov 21 1918
do.	H. Sanjuan	do.	Jun 30 1920
do.	R. Santos	do.	do.
do.	E. Sueza	Jul 2 1917	
do.	S. Toledo	Jun 1 1916	May 31 1919
do.	D. Trinidad	Sep 1 1908	Aug 31 1920
do.	N. Zamora	Aug 21 1910	Aug 20 1919

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement where existing.
EDUCATIONAL DEPARTMENT.			
PUBLIC SCHOOL FOR BOYS.			
Headmaster	G. M. Billings, B.A. (Oxon)	Jun 1 1903	May 31 1918
Assistant Master	D. Drake	Jan 6 1916	Jan 5 1919
do.	W. E. Hayward, B.A. (Cantab.)	Dec 6 1915	Dec 26 1918
do.	S. Hore	Aug 28 1912	Mar 8 1920
do.	R. Ross, B.A. (Oxon)	Jan 29 1910	Mar 11 1919
Language Master	H. L. Fardel, B. es L. (Lausanne)	Mar 31 1917	Apl 6 1920
Assistant Mistress	Mrs. F. L. Garner L.L.A. (St. Andrews)	Jun 1 1903	Dec 31 1918
do.	Mrs. H. G. Hunter	Sep 24 1917	
do.	Mrs. Newcomb	Sep 6 1916	
PUBLIC SCHOOL FOR GIRLS.			
Headmistress	Miss J. Patterson	Jul 1 1893	Apl 19 1920
Assistant Mistress	Miss E. H. Astill	Sep 1 1905	
do.	Miss T. W. Balean	Sep 6 1917	
do.	Miss L. J. Bucklar	Jul 24 1915	Aug 31 1918
do.	Miss M. C. Cardwell	Feb 1 1895	Sep 30 1918
do.	Mrs. G. A. Garwood	Oct 25 1917	
do.	Miss M. R. Graham	Mar 1 1917	
do.	Miss E. A. Hoodless	Dec 1 1909	Nov 30 1918
do.	Miss E. G. A. Hutchison	Mar 15 1910	Feb 29 1920
do.	Mrs. A. M. Kirk	Apl 24 1917	Apl 23 1920
do.	Miss V. Knight	Sep 6 1917	Sep 5 1920
do.	Mrs. E. Murray	Mar 13 1911	Jun 12 1920
do.	Miss B. B. Rasmussen	Apl 3 1915	Apl 2 1919
do.	Miss A. A. Samson	Jan 13 1912	Mar 3 1918
do.	Miss A. D. Simon	Mar 27 1915	Apl 18 1918
do.	Miss C. W. Stevens	Aug 18 1916	Sep 29 1919
do.	Miss D. Ware	Sep 14 1914	Dec 13 1920
do.	Mrs. J. M. Wheeler	Oct 1 1917	
French Mistress	Madame J. Lepetit	Sep 13 1917	
Student Mistress	Miss F. Macgregor	Jan 1 1915	
do.	Miss H. Macgregor	Feb 1 1917	
do.	Miss A. M. Manning	Jul 1 1913	
THOMAS HANBURY SCHOOL FOR BOYS.			
Headmaster	A. J. Stewart	Jun 7 1901	Dec 28 1919
Assistant Master	(W. D. Anderson)	Jul 26 1914	
do.	W. C. Divers	May 1 1909	Apl 30 1920
do.	P. Rinaldo	Sept 6 1917	
Assistant Mistress	Miss S. A. Harvey	Jan 5 1917	
do.	Miss A. Lawrie Smith	Jan 8 1917	
do.	Mrs. E. J. O'Toole	Sep 6 1917	
do.	Mrs. R. Peach	Jan 11 1916	Jan 10 1919
do.	Mrs. R. T. Ryton	Mar 9 1917	
do.	Mrs. M. Saker	May 28 1917	
do.	Mrs. M. G. Stuart	May 22 1916	
Matron	Mrs. A. Thompson	Jun 5 1913	Feb 24 1919
Assistant Matron	Miss L. Hiron	Nov 1 1917	
THOMAS HANBURY SCHOOL FOR GIRLS.			
Headmistress	Miss E. H. Mayhew	Oct 9 1906	Oct 8 1918
Assistant Mistress	Miss F. M. Alliston	Sep 6 1916	Sep 5 1919
do.	Miss I. W. Beckingsale	Dec 22 1914	Dec 21 1920
do.	Mrs. A. Davey	Mar 4 1913	Mar 3 1918
do.	Miss H. F. Hammond	Aug 18 1916	Sep 29 1919
do.	Miss G. W. Meech	Sep 1 1916	Aug 31 1919

Office	Name.	Date of Entering the Service.	Date of Expiry of Agreement, where existing.
Assistant Mistress	Miss R. H. Rees	Jan 8 1915	Jan 7 1918
Music Mistress	Miss O. M. Parsons	Nov 1 1916	
Matron	Miss F. M. Gaunt	Mar 18 1912	Sep 30 1918
do.	Mrs. A. F. Phillips	Sep 1 1916	Aug 31 1919
Assistant Matron	Miss J. Fraser	May 5 1917	May 4 1920

PUBLIC SCHOOL FOR CHINESE.

Headmaster	G. S. F. Kemp	Jan 8 1904	Feb 5 1919
Assistant Master	T. G. Baillie, B.Sc.	Oct 2 1915	Nov 15 1918
do.	W. A. Hearn, B.A.	Sep 4 1916	
do.	(H. E. Jones)	Nov 22 1914	
Assistant Mistress	Miss M. L. Barbor	Nov 1 1915	
do.	Miss M. D. McKay	Nov 6 1917	
do.	Miss T. M. Pierce, M.A.	Sep 10 1917	
do.	Miss F. M. Reid	Nov 5 1917	
Drawing Mistress	Mrs. J. Frost	May 1 1917	

ELLIS KADOORIE PUBLIC SCHOOL FOR CHINESE.

Headmaster	R. G. Dowie	Sep 1 1912	Aug 31 1918
Assistant Master	L. Kershaw	Dec 31 1915	Feb 26 1919
do.	(F. C. Millington)	Jan 4 1915	Jan 3 1918
Assistant Mistress	Mrs. A. M. Burke-Scott	Sep 10 1917	
do.	Mrs. M. J. Gibson	Oct 17 1917	

NIEH CHIH KUEI PUBLIC SCHOOL FOR CHINESE.

Headmaster	L. H. Turner	Nov 20 1909	Jan 5 1919
Assistant Master	A. F. T. Holland	Nov 22 1914	Nov 21 1920
Assistant Mistress	Miss P. R. Bowditch	Apr 6 1917	Apr 27 1920

POLYTECHNIC PUBLIC SCHOOL FOR CHINESE.

Headmaster	(S. Rayner)	Aug 15 1918	
Acting Headmaster	L. C. Healey	Aug 14 1912	Sep 25 1918

PUBLIC LIBRARY.

Librarian	Mrs. H. Allan	Jun 1 1913	May 31 1919
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CHINESE STUDY.

Acting Director	R. A. Parker	Feb 1 1916	Dec 31 1920
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FINANCE DEPARTMENT.

Treasurer	E. F. Goodale, A.C.A.	Oct 11 1907	Jan 31 1919
Deputy Treasurer	(J. C. Bosustow)	Jul 11 1901	
Assistant Treasurer	(J. T. Ford, A.C.A.)	Mar 6 1908	
Acting Deputy Treasurer	H. M. Mann, A.C.A.	Feb 8 1911	Mar 4 1920
Chief Accountant	A. W. Macphail	Jun 1 1909	May 31 1918
Assistant	W. J. Burke-Scott	Mar 17 1913	Mar 16 1919
do.	G. H. Charlton	Nov 1 1910	Oct 31 1919
do.	(T. H. Hutchison)	Aug 23 1909	Aug 22 1918
do.	G. O. Jackson	Jun 1 1915	May 31 1918
do.	L. D. Lemaire	Jun 1 1909	May 31 1918
do.	C. J. Passikides	Jul 1 1916	Jun 30 1919
do.	S. J. Williams	Dec 1 1915	Nov 30 1918
Stenographer	Miss d'A. Graham	Jun 1 1914	Jun 30 1918

Office.	Name.	Date of Entering the Service.	Date of Expiry of Agreement, where existing.
SECRETARIAT.			
SECRETARY'S OFFICE.			
Secretary	(W. E. Leveson)	Oct 1 1897	Mar 31 1918
Acting Secretary	N. O. Liddell	Jul 20 1915	Jun 30 1920
Assistant Secretary	E. S. B. Rowe	Aug 4 1905	
Chief Clerk	J. M. McKee	Nov 1 1908	Jan 31 1920
Assistant	(A. G. Nugent)	Jan 1 1911	
do.	(R. F. Barff)	Jul 1 1914	
do.	J. Egan	Feb 1 1916	Jan 31 1919
do.	N. M. Harloe	May 7 1914	Dec 12 1920
Junior Assistant	T. L. Rawsthorne	May 1 1915	
do.	E. T. Nash	Dec 20 1915	
Stenographer and Typist	Miss C. Allan	May 1 1914	Apl 30 1920
do.	Miss M. Robarts	Feb 6 1917	
do.	Miss K. H. Smith	Jun 26 1917	

TAX OFFICE.

Overseer of Taxes	E. L. Allen	Mar 26 1889	Mar 14 1920
Assistant Overseer of Taxes	F. A. Sampson	Sep 24 1889	Jun 30 1920
Assistant	V. H. Bourne	Feb 16 1911	Nov 30 1920
do.	(A. J. Hadley)	Oct 8 1910	Jan 24 1918
do.	W. C. H. Knight	Dec 10 1909	Dec 9 1918
Junior Clerk	(V. H. Watton)	May 1 1913	
do.	F. Henry	Dec 17 1917	
Licensing Inspector	J. A. J. Johansson	Jul 2 1895	Dec 31 1918
Inspector of Taxes	D. McAllister	Jun 1 1899	do.
Tax Collector	S. Chilver	Nov 1 1889	Mar 8 1920
do.	W. Cobb	Jan 17 1916	Sep 30 1919
do.	G. Crank	Oct 1 1888	Dec 31 1918
do.	A. Dahl	Aug 6 1894	do.
do.	J. J. H. Dearn	May 17 1898	May 16 1919
do.	F. George	Sep 1 1907	Dec 31 1918
do.	J. H. Inwood	May 1 1915	Apl 30 1918
do.	E. A. Lake	Sep 18 1917	
do.	C. E. Larsen	Oct 25 1906	Dec 31 1918
do.	G. E. Marshall	Dec 10 1889	do.
do.	(E. Mellows)	Oct 22 1903	
do.	H. C. W. Schroder	Apl 4 1902	Dec 31 1918
do.	E. H. Solly	Nov 1 1915	Oct 31 1918
do.	D. Sullivan	Apl 1 1915	Sep 30 1919
do.	T. Watanabe	Dec 1 1915	Nov 30 1918
do.	T. E. Wilson	Jul 1 1907	Dec 31 1918
do.	E. Zillig	Jul 1 1904	Jun 30 1919

WEATHER DIAGRAM

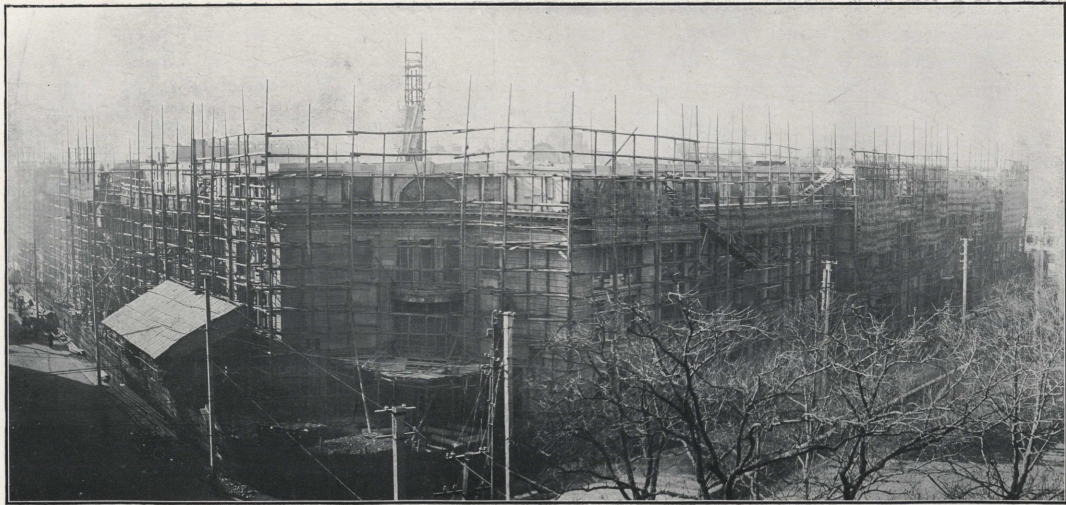
1917

DATE	JAN.	FEB.	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1	R	F	O	F	O						R	R
2		F	O	F	O						R	
3	F	F	O	R	O					R		
4	F	F			R	O		O		R		
5	F	F			R	R		O		O		
6	F	F	O				R	O				
7	F	R	O	F	O		R	O				
8	F	F	O	R		R						F
9	F	F	O						R			F
10	F	F	O						R	O		F
11	F	F	F	O		R	R				R	O
12	F	O	F	O		R	R	O			R	O
13	F	O	F	O		R				R	O	F
14	F	O	F	O			R		R	O	R	O
15	F	O	O	F	O		R					F
16	F	O				R	R		R	O		F
17												F
18	F	O		R	O		R	R	O			F
19	F	O	F	O				O				F
20	F	O	F	O				R				F
21	F	O	F	O			O					F
22	F	O					R					F
23	F			R	R							F
24	F	O								R		F
25	R					O	R					F
26		O	R									F
27	F	O	R					R	O		R	O
28	F	O	F									F
29	F	F				O	R					F
30	F	O										F
31	F	O					O	O		O		F

EXPLANATORY NOTE

6 A.M.	9 A.M.
TO	TO
9 A.M.	NOON
NOON	3 P.M.
TO	TO
3 P.M.	6 P.M.

O	DENOTES DRY WEATHER
R	DENOTES RAINY WEATHER
F	DENOTES FROST
S	DENOTES SNOW



NEW CENTRAL OFFICES IN COURSE OF ERECTION JANUARY 1918.
(Progress during 1917 was considerably retarded owing to War conditions.)



HONGKEU FIRE STATION
1917.

WORKS MATTERS.

ENGINEER AND SURVEYOR'S REPORT.

The following are the more important of the public works that have been completed or commenced during the year :—

Central Offices.
Riverside Power Station Extension.
Hongkew Fire Station.
New Cell Blocks at Gaol.
Wuchow Road Market.
Isolation Hospital Extension.
Gordon Road Station, Revolver Range.
Mokanshan Sanatorium, Bungalows.
Sinza Depôt, Bituminous Macadam Plant and Steam Roller Shed.
Kwangchow Road Bridge.
Markham Road Bridge.
Concrete Bunding, Cadastral Lots 806, 807 W.
Concrete Bunding, Cadastral Lot 4835 W.
Concrete Bunding, Mokanshan Road.
Concrete Bunding, Astor Road.
Concrete Bunding, Lay Road.
Concrete Bunding, East of North Shanse Road.
Ferry Road Sewer.
Connaught Road Sewer.
Gordon Road Culvert.
East Seward Road, replacing sewer.
Tongshan Road Culvert.
Hoopeh Road, reconstructing sewer.
North Fokien Road, making up.
Yangchow Road, raising and ashing.
Pingliang Road, metalling, raising and ashing.
Ningkuo Road, raising and ashing.
Whashing Road, raising and ashing.
Tengyueh Road, ballasting and metalling.
Kwanghsin Road, sewerage, ballasting and metalling.
Hungjao Road, ballasting and metalling.
Moulmein Road, raising.

The various contracts entered into during the year have been carried out satisfactorily on the whole.

A considerable amount of work has been carried out during the year on the raising and, in some cases, making up of a number of roads in that portion of the Eastern District east of Thorburn Road. Where the roads have not been metalled, ash tracks have been laid or old road screenings have been rolled in so as to form a roadway that will carry ordinary traffic under almost any condition of weather. The most notable of these roads that has been so completed is Pingliang Road, providing access from Yangtsepoo Road through to the River bank near the Point. The provision of such a road should tend towards the development of adjoining property, at the same time providing a main artery leading to the roads which will be developed in this neighbourhood in the future.

The culverting of the Changpang, necessary for the completion of the making up of Great Western Road from Chengtu Road to Siccawei Road, and referred to in my Report of last year, has been completed by the French Municipal Council, and the making up of the roadway will probably be completed during 1918.

The lighting of Avenue Edward VII from the Bund to Thibet Road has been completed, alternate sections being lighted by each Council and arrangements have been made for the lighting of the road through to Chungking Road and the continuation of the same in Great Western Road westwards to Siccawei Road.

The bituminous surfacing of macadam roads has been carried out extensively during the year, with very good results, a total of 36 miles being treated, an increase of 18.562 miles over the length of roads similarly treated in 1916. This form of treatment has been tried in the Central District on some of the roads that are subjected to heavy traffic and the results promise to be satisfactory. It is anticipated that this surface treatment of macadamised roads may be adopted with advantage under almost any conditions of traffic and, should such prove to be the case, there will be a saving in upkeep of such roads, and the inconvenience to the general public caused when the roads are being repaired will be minimized.

The installation of the bituminous macadam plant at Sinza Depot will be completed early in 1918, and with the plant in full working order it will be possible to supply a properly graded and mixed material.

The inadequacy of the roads in the Settlement is becoming increasingly evident, particularly with regard to broad trunk thoroughfares, and it is very desirable that a comprehensive scheme should be laid down and compulsory powers to carry out the same obtained without delay. It is highly probable that upon the termination of the war, very extensive development of property will take place and the erection of more buildings of a permanent and substantial character than has been common in the past. The past decade has seen the introduction of tramways, and the multiplication of motor vehicles to such an extent that footways in the congested areas have been reduced in width in an attempt to accommodate wheeled traffic; carriageways, however, are still insufficient in width and footways in many instances are a mere name. In planning a scheme for trunk roads the best results will not be obtained without ignoring to some extent the actual boundaries of the Settlement. Taking the past twenty years as an indication of progress in the next twenty, one cannot escape the conviction that the present mode of procedure is not the most suitable for the needs of to-day. This will appeal more forcibly to many residents who have watched the steady development of the Settlement for a much longer period than the writer, who, however, looking back over twenty years has a very clear recollection of Shanghai as it was in 1898. The accompanying plan shows the development which has taken place even in that time alone. With such a record to look back upon it is not too much to say that the Settlement is in great need of a well-devised system of broad trunk thoroughfares calculated to meet the requirements of the next fifty years or more.

Some useful drainage works have been effected during the year, the most important being the laying of a main sewer from the junction of Sinza Road and Ferry Road along Ferry Road and Connaught Road to east of Gordon Road. This sewer has relieved the existing drains south of Sinza Road and west of Gordon Road that previously had no satisfactory point of discharge. Other drainage work, from which road widenings have resulted, include those carried out in Gordon Road and Tongshan Road.

The erection of two more of the old Yangkingpang Bridges has been completed, one bridge carrying the Pingliang Road and the other the Kwangchow Road over the Yangtzepoo Creek.

The erection of the timber bridge over the Soochow Creek at Markham Road was completed early in the year. The work was carried out by contract and the new bridge was floated into its final position on boats. It is identically the same as that which was demolished in 1914.

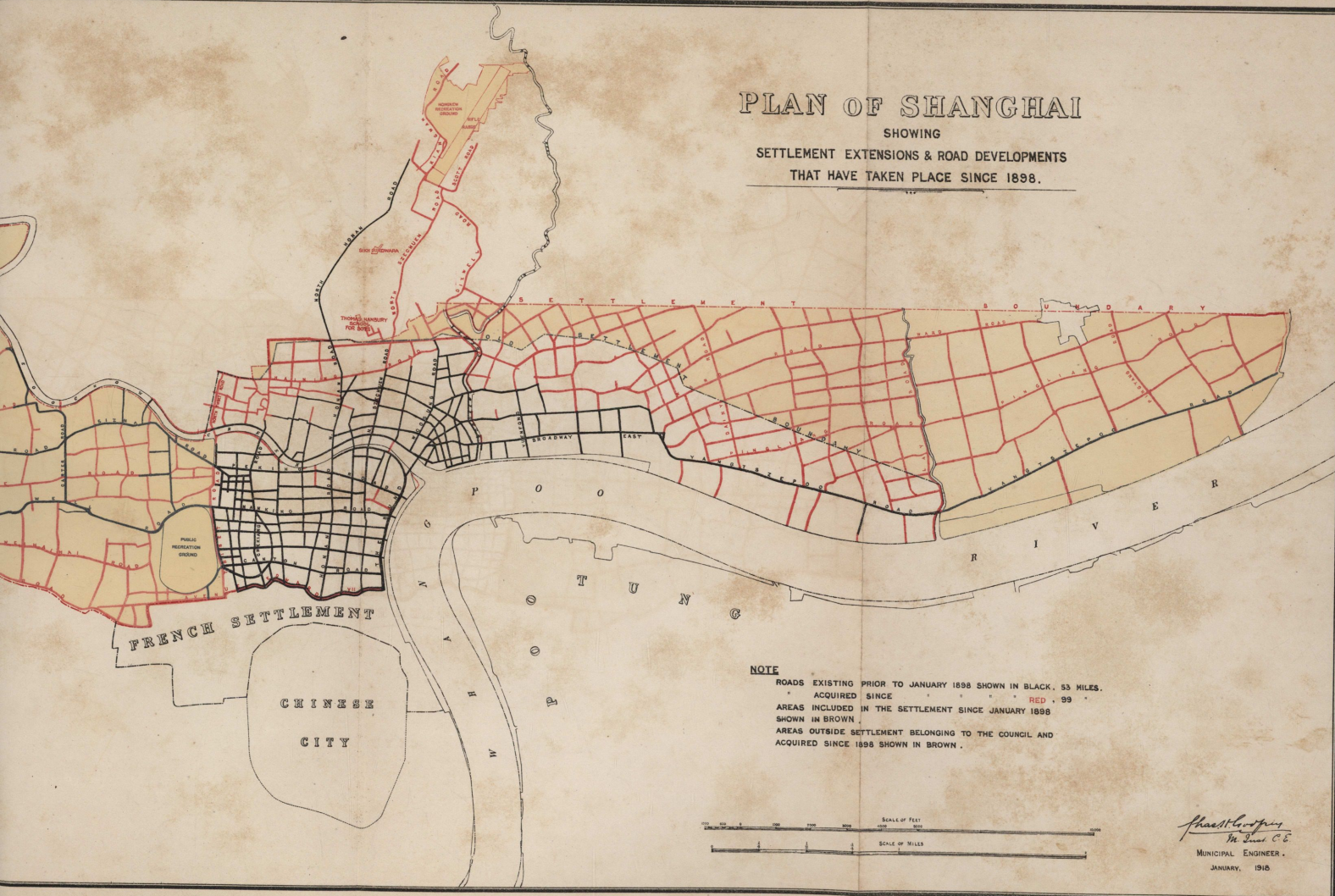
In my Report for 1915 I called attention to the desirability of a dual system of public lighting being installed in the Shanghai roads. This system has been installed in an experimental form in North Szechuen Road, from North Soochow Road to Quinsan Road, and in Broadway. In the former road high-pressure gas lamps alternate with electric lamps, and in the latter road self-intensifier lamps have been similarly erected. From a lighting point of view the results are entirely satisfactory and the danger of such roads being entirely without light at any one time is minimised.

In connexion with Land Registration and transactions involving the subdivision and remeasurement of old lots particular attention should be called to the operations of the "Shengko" Office. The term



PLAN OF SHANGHAI

SHOWING
SETTLEMENT EXTENSIONS & ROAD DEVELOPMENTS
THAT HAVE TAKEN PLACE SINCE 1898.



"Shengko" (升科) means "To enter (waste land, foreshore, or accretions) for taxation," and there can be little doubt that it originally meant that when accretions took place, or waste land was brought under cultivation by an adjoining landowner, he was required to record the fact to the Authorities and agree to pay land tax upon the additional area. It also follows in a country like China that some fee should be paid to cover the expenses of the recording office, so that a permanent increase in revenue would accrue without any expense being incurred by Government. The owner registering accretions for taxation would naturally not do so unless the land so registered was likely to be of some permanent benefit to him by giving a fair return for his labour in cultivating or otherwise improving. In this way both Government and land holder benefited. It also follows that, in the case of accretions of foreshore, registration of land which would interfere with navigable waterways or with the existing rights of other land holders would not be permitted. It has been recognised in the Foreign Settlements for many decades that payment for shengko should be at the rate of Tls. 450 per mow. During the past few years, however, attempts have been made by the Chinese Authority concerned to levy "shengko" at the value placed upon the abutting land by Municipal Assessment. It needs little demonstration to show that such procedure is unjust and iniquitous. These remarks do not, of course, apply to accretions made possible by the Conservancy of the Whangpoo, because to put it shortly, that is a case in which accretions of large areas are made possible by an extensive and costly undertaking of the Government, due allowance being made to the cost of works undertaken by the frontager.

In certain cases land is bought at a price which is partly based on the fact that it has creek frontage; if the purchaser also pays (at a later date) shengko at the same rate, he is paying twice over for his riparian rights, which rights nothing can take away from his original purchase. In the Settlement accretions have not been brought about by any action or co-operation of the Government except in the special case of the Whangpoo foreshore.

It is generally the case that accreted land can only be made fit for development after considerable financial outlay by culverting and filling, in which the Government gives no assistance and has no voice.

Prior to the Revolution of 1911, land purchased by foreigners was surveyed by the Chinese Land Office, whose methods can truthfully be described as unscientific and inaccurate. The natural result is that a large number of deeds have incorrect areas. When remeasurements take place as a result of transfer of registry, subdivision, or amalgamation of lots, discrepancies are brought to light, and if the area proves greater than stated in the original deed, and the discrepancy cannot be accounted for, the owner is asked to pay shengko; if however, as is often the case, the area is less the owner has no remedy.

In assessing "shengko" at the rate of the Municipal Assessment the Shengko Office is receiving sums to which it has little claim in equity or by established custom. It should not be forgotten that the high market price of land in the Foreign Settlements of China is in no small measure due to efficient Municipal Administration, and to the security and increased "marketableness" of land under Foreign Registration.

The erection of Boundary Stones as required under Land Regulation is still not carried out expeditiously by certain registered owners, seventy-two applications having been made during the year before the requirements had been properly fulfilled. Unfair advantage also appears sometimes to be taken of the fact that correct surveys of registered lots can be obtained gratis in connexion with remeasurements, amalgamation and subdivision of lots.

Although much good cannot result without the co-operation of all landowners, attention is called to the delay by the Chinese Authorities in the issue of Foreign Title Deeds. There seems no good business reason why the issue of deeds should be delayed, as is often the case, for twelve months and more after the submission of proper documents.

Six months' experience in the working of the Building Rules has demonstrated more clearly than ever the desirability for the registration of Architects which the Council has striven for in the past. The Municipal Gazette each week shows only the number of sets of plans which have been approved; during the last quarter of 1917, the number of applications approved was 117, but the number disapproved during the same period was 84. This clearly shows the incompetency of the majority of the applicants for permits, many of whom are little better than contractor's Chinese clerks, who rely upon such information as they may obtain from the Public Works Department regarding the interpretation of the Building Rules, to get their plans passed. It is, however, now practically impossible for any but technical men to obtain a permit for a

large building; but unfortunately in many cases the technical man would appear to consider that his responsibility in the matter ceases as soon as he has obtained the required permit, leaving the supervision during the construction to the Building Inspection Staff, apparently being under the misapprehension that the Inspectors act as Clerks of Works, which is of course absurd, when it is remembered that an average of 270 blocks of new buildings are continuously in course of construction in different parts of the Settlement. If registration of Architects was compulsory it would seem that in all but isolated cases, plans submitted to the Council would be approved with but little alteration, thereby saving considerable time both in the office and outside on inspection work.

The New Building Rules which came into operation in June last have, as was expected, entailed a great deal more supervision of buildings during their erection. Very little opposition was met with, although naturally the enforcement of the Rules was difficult at first, as the Contractors were not conversant with the new requirements; it is satisfactory to note that except for some minor points the Rules are most practical and will no doubt tend towards better building and the disappearance of the "jerry builder." During the year under review there has been a considerable decrease in the number of new buildings erected, the figures being 3,926 as against 6,767 during 1916—a difference of nearly 3,000. This is accounted for by the abnormal price of all building materials, indeed it is somewhat surprising that the building trade has not been even more adversely affected. In my Report for 1916 I drew attention to the fact that it would seem that the economical radius for Chinese houses from the Central District westward had at last been reached, and that it was now definitely inclining towards the east: that this is so, may readily be seen upon reference to the table of structures erected in the various districts during the past ten years, the figures for the western and eastern districts being 909 and 1,462 respectively. One of the most noticeable features to the average resident in connexion with new buildings is the rapidly changing aspect of the Nanking Road. Many high buildings of a more or less classical appearance have for some time past been taking the place of the familiar Chinese shop, the new premises for the Sincere Company and the Wing On Company, at the corners of Nanking and Chekiang Roads, forming the most prominent examples. Local building owners are apparently at last realising the importance and desirability of constructing their new buildings of more fire-resisting materials, reinforced concrete being now almost invariably used in the construction of all high buildings. This form of construction is certain to become almost universal in all buildings over three storeys in height, owing to the maximum load which brickwork may be designed to carry having been fixed by the Building Rules at 2 and 3 tons per square foot, respectively for brickwork in lime and cement mortar. This is necessarily low on account of the poor quality of the local bricks and workmanship, and renders the erection of high buildings with brick enclosing walls uneconomical.

A considerable amount of time has been devoted by the Building Inspection Staff to the inspection of licensed premises, with a view to the provision of more adequate means of egress in case of fire to ensure structural safety and more sanitary conditions, no fewer than 1,002 inspections having been made during the year. The need for such inspection is most urgent as practically all but the smallest hotels, lodging houses, theatres, restaurants, and similar buildings are totally unfitted for their several uses before being altered prior to the issue of licences. It has frequently been found that within a very short time after the premises have been "passed" emergency staircases have been either entirely removed or floored over, the space being used for additional accommodation. This can only be remedied by systematic and periodical inspection.

BRIDGES.

The number of bridges controlled by the Department is 49, classified as follows:—

Steel	9
Concrete	10
Timber	30

There are also 207 concrete cross-culverts varying in span from 3 feet to 12 feet.

Soochow Creek.—The construction of the new Markham Road Bridge across the Soochow Creek was completed towards the end of January. The new bridge had been constructed on ways placed on the south approach and these being well oiled and greased, and one end of the girder being supported on boats, the whole was slowly hauled across the creek by means of tackle placed on the north side. The bridge settled

down on to each abutment on the ebb tide of Saturday, January 20, and was opened to general traffic on February 20.

Extensive repairs have been carried out on the stringers and decking of the following timber bridges :—

Shanse Road, Szechuen Road, Kiangse Road, Thibet Road.

The Jarrah hardwood decking of the Chekiang Road Bridge has been renewed.

Yangtsepoo Creek.—The new steel bridges over the Yangtsepoo Creek at Pingliang Road and Kwangchow Road have been completed. The former was opened to traffic about the end of February and the latter about the end of July.

Hongkew Creek.—Extensive repairs have been carried out on the Hanbury Road, the Yuhang Road, the Yalu Road, and the Kashing Road Bridges.

Singkeipang.—Extensive repairs have been carried out on the Singkeipang Road Bridge. The timber bridge at Dent Road has been removed consequent on the culverting of the creek at this point.

CADASTRAL OFFICE AND SURVEY WORK.

Survey of Districts.—The re-survey of the Settlement had to be discontinued since the first half of the year owing to depletion in the Survey Staff.

During the first half-year an area of approximately 1,040 mow was surveyed and plotted.

Special surveys were made of Jessfield Park and proposed extensions, the Rifle Range and Hongkew Park, Pingohiao Quarry, and Mokanshan Sanatorium.

The following are particulars of general work done during 1917 :—

Official measurements attended	609
Official plans of lots, not inside Settlement, forwarded by Consulates	343
Lots examined to ascertain whether the title deed proposed to be issued covers rights of way or public roads	609

Certificates issued with regard to erection of Boundary Stones :—

British Consulate	319
American „	69
Japanese „	8
German „	5
French „	1

New lots placed under taxation :—

Central District	4
Northern „	4
Eastern „	64
Western „	53
Total	125

Area revised	123
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Assessed value of new land under taxation :—

Central District	Tls. 54,371
Northern „	60,449
Eastern „	640,777
Western „	177,197
Total	Tls. 932,794

Lots surveyed in connexion with Road improvements :—

	Central.	Northern.	Eastern.	Western.	Total.
Widenings	87	43	43	206	379
Extensions	—	3	313	82	398
	87	46	356	288	777

Number of M.C.R. Stones erected—1,693.

Official plans prepared :—

British Consulate	249 in triplicate.
American „	22 in quadruplicate.
Japanese „	10 „
Spanish „	2 „
Netherlands „	2 „
French „	1 „
Belgian „	1 „
Austro-Hungarian Consulate	1 „

1,022 Sets of plans of all descriptions have been prepared.

BUILDINGS.

Central Offices.

The progress of the work on these buildings during the year has unfortunately been considerably impeded by the abnormal conditions due to the War. The steel window casements have not arrived, though ordered at the beginning of the year. Owing to the same cause the final heating plans have not yet been received from the heating engineer in London. These matters have made it impossible to proceed with the laying of the floors and internal finishings generally. The Contractor has progressed favourably with the completion of the main walls and roof, which are now practically finished.

The Drill Hall has, with the exception of the floor, been practically completed, and, in order to relieve the congestion in the Town Hall, will be used temporarily for Volunteer purposes at the beginning of the year. In addition to being of very much greater floor area than the Town Hall, the new Hall is a great improvement as regards acoustic properties.

Police Force.

Gordon Road Police Station, Revolver Range.—A Revolver Range for the use of the Police has been erected at the west end of the Gordon Road Station site. The building is of brick, with artificial stone dressings to the south front, and is roofed with boarding and Malthoid. The dimensions are 115 feet long and 15 feet wide. Lighting is provided by large skylights placed at intervals on either side along the roof, and iron plates are fixed on certain of the roof trusses to prevent the possibility of ricochets or stray shots penetrating the roof. Ventilation and provision for the egress of smoke are provided by small gratings at the floor level, and by a series of small openings the whole length of the building just under the eaves. The floor of the building is of earth and an earth stop-butt is provided.

Wayside Police Station, Detective Offices.—A series of offices for the Detective staff have been erected over the Cells at this Station. The accommodation comprises Detective Inspector's office, 16' 0" × 9' 6": Foreign Detectives' office, 16' 0" × 9' 6", and Chinese Detectives' office, 19' 0" × 10' 6". Access is gained by an entrance and staircase at the southwest corner of the Cell block, a portion of one of the cells being utilised for this purpose. The offices were ready for occupation at the end of the year.

Gaol—New Cell Blocks.—At the beginning of the year work was commenced on the erection of two new Cell blocks, mentioned in last year's Report. Each block is 254 feet long, by 42 feet wide, and five floors in height, each floor containing 96 cells, 8' 0" by 4' 9". The two blocks thus contain a total of 960 cells. The main walls of the buildings are of brick, with artificial stone window sills and cornices, and the whole of the floors, staircases, roofs, lantern-lights, and internal walls and partitions are of reinforced



ISOLATION HOSPITAL WEST BLOCK
1917.

concrete. The erection of the buildings was proceeded with very rapidly during the year, and, provided the locks arrive from England in time, the blocks should be ready for occupation about the middle of March of next year.

Quarters for Japanese Police.—The completion of the new Hongkew Fire Station rendered the old building at the corner of Miller and Hanbury Roads available for other purposes, and this building is now being converted into quarters for members of the Japanese Police. The truck-houses and stables on the ground floor have been subdivided by partitions into living-rooms, and the first floor has also been rearranged. The accommodation will consist of 24 living-rooms, with kitchen store-rooms, and necessary additional offices. The building will be ready for occupation about the end of January.

Health Department.

Isolation Hospital, West Block.—The completion of this building, described in the 1915 Annual Report, was delayed on account of the delay in the delivery of the steel windows and other fittings from England. These, however, arrived eventually, with the exception of the lift, which is expected almost immediately, and as soon as this is installed and the furniture delivered, the building will be ready for occupation.

Isolation Hospital, Old Blocks.—For some time the roofs of the old blocks, which consisted merely of French tiles laid on wooden battens, have given considerable trouble on account of leaking. During the year the roofs of the Administration and Ward Blocks, and Assistant Health Officer's Quarters, have been stripped and then properly boarded and felted, the tiles being afterwards relaid and wired to battens fixed on top of the boarding. In addition to the roofs being now watertight the work should result in a more equable temperature being maintained in the top floor rooms of each block.

Mokanshan Sanatorium, New Bungalows.—"Drumsheugh" was considered to be beyond repair, and accordingly was demolished early in the year. To partially compensate for the loss in accommodation the construction of three pairs of semi-detached bungalows was commenced in October, and it is hoped that they will be ready for occupation by next season.

Public Works Department.

Markham Road Depot.—An office has been constructed by direct labour.

Gordon Road Depot.—A new Carpenter's shop has been constructed by direct labour.

Sinza Depot.—A new Steam Roller shed has been constructed by direct labour.

A reinforced concrete tower has been constructed and a tar macadam plant installed therein.

North Honan Road Depot.—An addition has been made to the existing store-shed.

Thorne Road Depot.—An office and store-shed has been erected by direct labour.

Pingchiao Quarry—New Overseer's Bungalow.—A bungalow for the Overseer is being erected on a site immediately south of that occupied by the Overseer's present quarters. The new bungalow is a one-storied structure, with walls of red brick and roofed with Malthoid Felt. The main building provides the following accommodation:—Overseer's office 16' × 7', Dining room 17' 6" × 17', Sitting room 17' × 15' 6", two bed-rooms 17' 6" × 17' and 17' × 15' respectively, two bathrooms each 11' × 6' and Drying room 15' × 7'. There is also a room 17' × 15' with private entrance and bathroom attached, for the use of visitors to the Quarry. The out-buildings comprise kitchen, servants' quarters, laundry room, servants' cookhouse, and lamps and coal stores.

Educational Department.

Public School for Boys.—Three small improvements have been carried out at this School during the past year. Additional servants' quarters have been provided by an extension of the entrance lodge. The playshed, which was formerly in the centre of the north side of the playground, has been pulled down and a gymnasium has been erected at the northeast corner of the site. This building is closed in on the north and east sides, affording proper protection from the weather. The latrine was pulled down and re-erected on another site, east of the former one, and further from the main School building.

Electricity Department.

Riverside Power Station.—The various buildings commenced last year are practically finished. Owing to the delay in the arrival of various parts of machinery the construction of the Concrete Supports of the Turbo-Generators and Boilers was considerably hampered and are only partly completed.

Fearon Road Station.—The following alterations have been carried out:—the concrete staircase in the Store block has been removed and the ground and first-floor space converted into a sub-station. The space on the top floor has been utilised as a bathroom. The Meter room has been enlarged by including the verandah, and by removing the wall between the meter-testing room and room adjoining. The bridge connecting the store building with the meter-testing building has been transferred from its position on the first floor to a similar position on the second floor.

ROADS.**Works Completed on Existing Roads and Road Extensions.**

Central District.—Nanking Road.—The section fronting Cadastral Lot 83 east of Kiangse Road has been widened out to the scheduled line. A great benefit to traffic has resulted.

Avenue Edward VII.—The laying of a granite wheelbarrow track from the Bund to Thibet Road is in progress. Work on the section from the Bund to Shantung Road being carried out by the French Public Works Department and the section from Shantung Road to Thibet Road by this Department.

Hoopeh Road.—The defective brick sewer from Nanking Road to Hankow Road has been removed and 2' 3" × 1' 6" eggshaped concrete sewer laid in its place.

Honan Road.—The old defective brick sewer between Tientsin Road and Ningpo Road collapsed during the year and was replaced by a 3' diameter concrete sewer.

The surfaces of the following roads have been treated with Asphaltum:—

The Bund from Garden Bridge to Peking Road.

Szechuen Road from Soochow Road to Avenue Edward VII.

Yuenmingyuen Road from Jinkee Road to Soochow Road.

Soochow Road from the Bund to Kiangse Road.

Peking Road from the Bund to Honan Road.

Foochow Road from the Bund to Hoopeh Road.

Ningpo Road from Szechuen Road to Kiangse Road.

Honan Road from Nanking Road to Foochow Road.

Museum Road from Peking Road to Soochow Road.

Total Mileage 2.862.

With Desiccated Tar:—Avenue Edward VII from Thibet Road to Shantung Road.

(The section of this road from Shantung Road to the Bund was similarly treated by the French Public Works Department.)

Jinkee Road from Szechuen Road to the Bund.

Kiukiang Road from the Bund to Honan Road.

Hankow Road from the Bund to Honan Road.

Siking Road from Kiangse Road to Honan Road.

Ningpo Road from Lloyd Road to Chekiang Road.

Kwangse Road from Newchwang Road to Tientsin Road.

Kweichow Road from Amoy Road to Nanking Road.

Amoy Road from Thibet Road to Chekiang Road.

Chefoo Road from Chekiang Road to Peking Road.

Total Mileage 2.192.

Northern District.—North Fokien Road has been chippaved for its full width from North Soochow Road to Tongdongkaloong.

North Szechuen Road has been raised and ashed for a section of its length north of the Railway level crossing.

North Soochow Road.—The making up of the footpaths and the reinstating of the chip-paved carriageway between North Honan Road and North Shansue Road fronting the concrete bunding that was constructed during the year has been completed.

Fusan Road.—North of Haining Road has been sewered, ballasted and metalled.

Kiangwan Road.—A 9" diameter sewer has been laid along this road from North Szechuen Road to join the existing main drain at the junction of Kiangwan Road with Wonglo Road.

Darroch Road.—A length of 270 feet of 9" sewer has been laid in this road.

The following road surfaces have been treated with Asphaltum :—

Whangpoo Road from Broadway to Woochang Road.

Broadway from North Soochow Road to Fearon Road.

North Szechuen Road from North Soochow Road to Range Road.

Range Road from North Szechuen Road to Woosung Road.

Chapoo Road from Boone Road to North Soochow Road.

Boone Road from Seward Road to Woosung Road.

Total Mileage 1.668.

With Desiccated Tar :—

Whangpoo Road from Woochang Road to Tsingpoo Road.

Chapoo Road from Boone Road to Range Road.

Range Road from Fearon Road to Woosung Road.

Kiangwan Road.

Albury Lane.

Park Lane.

West End Lane.

Peitaiho Lane.

Hannen Road.

Total Mileage 1.511.

Eastern District.—Chining Road has been raised for a section of its length east of Thorburn Road. Yangchow Road has been raised and ashed from east of Thorburn Road to Pingliang Road.

East Yuhang Road.—The mud track on the east side of this road from Chaoufoong Road to Sing-keipang Road has been ballasted and metalled and the section from Chaoufoong Road to Chusan Road has been raised.

Pingliang Road has been raised and a track of old road screenings and ashes laid from Thorburn Road to the Point and this road thereby made available for traffic from Yangtsepoo Road to the River front at the Point.

Ningkno Road from Ward Road to Holung Road has been raised and ashed, and cross-culverted.

Yulin Road has been raised and ashed east of Dalny Road.

Baikal Road.—A 1' 6" × 1' 0" culvert has been laid fronting Cadastral Lots 2660 and 2663 Eastern, and the existing side ditch filled in.

Whashing Road from Rangoon Road to Baikal Road has been raised and ashed.

Chaoufoong Road.—The mud track on the west side from Tongshan Road to East Yuhang Road has been ballasted and metalled.

Tengyueh Road.—The road has been raised and a 12 ft. strip ballasted and metalled from Yangtsepoo Road to the River front.

Liaoyang Road.—A 12 ft. strip north of Ward Road and fronting Cadastral Lot 1830E has been ballasted and metalled.

East Seward Road.—The old defective brick sewer has been replaced by a 2' 3" × 1' 6" egg-shaped concrete sewer between Kungping Road and Muirhead Road and the broken brick road foundation has been replaced by spalls on both sides of the tram track in this section.

Kwanghsin Road.—A new 2' 3" × 1' 6" egg-shaped sewer has been laid from the River front to Yangtsepoo Road and a 12 ft. wide strip ballasted and metalled.

Wetmore Road has been made up to the new bund line and the sewer extended accordingly.

Dixwell Road from Broadway to East Seward Road has been made available for light traffic by the laying down and rolling in of old road screenings.

Lay Road.—The line of this road immediately north of Pingliang Road has been improved at the sharp bend that originally existed at this point.

Tanyang Road from Lay Road to Cadastral Lot 5110 has been raised and graded.

Singkeipang Creek.—A 4' 6" diameter culvert has been laid in this creek from Kwenming Road to Dent Road and the roadway has been correspondingly widened in this section.

Jansen Road.—The old box sewer at the south end of this road has been removed and a concrete 2' 3" $\times$ 1' 6" egg-shaped sewer laid in its place.

Chemulpo Road has been cross-culverted, raised and ashed north of Yangtszepoo Road.

Macgregor Road from Wayside Road to Baikal Road has been raised.

Tungchow Road has been raised from the end of the existing metalling to East Yalu Road.

Wuchow Road has been widened out to its scheduled width from East Yalu Road to Hailar Road.

East Yuhang Road.—An existing 6" drain has been replaced by a 9" diameter drain for a length of 300 feet east of Wuchow Road.

Pingliang Road has been culverted for a length of 600 feet east of Thorburn Road by a 1' 6" $\times$ 1' 0" culvert and the old ditch filled in.

The surfaces of the following roads have been treated with Asphaltum :—

Yangtszepoo Road from the Tram Terminus to the Point.

Ward Road from Muirhead Road to Whashing Road.

Lay Road from Yangtszepoo Road to Ward Road.

Broadway East north side from Dixwell Road to Muirhead Road.

Broadway East south side from Dixwell Road to Hwakce Road.

Total Mileage 3.777.

With Desiccated Tar :—

Ward Road from Whashing Road to Lay Road.

Tengyueh Road.

Liping Road.

Total Mileage 1.11.

Western District.—Markham Road.—The widened portion fronting the new bunding has been ballasted and metalled and the old metal on the west side has been relaid on a new spill foundation.

Yates Road.—The east side from Great Western Road to Weihaiwei Road has been ballasted and metalled.

Hungjao Road.—A 12 ft. wide strip from Siccawei Road to the Tungwen College has been ballasted and metalled and an ash track laid from the end of this metalling as far as the Railway level crossing.

Brenan Road.—Ashes have been laid from Jessfield Road to Warren Road.

Great Western Road.—The mud track between Manila Road and Chengtu Road has been ballasted and metalled and the Road is now made up for its full width at this point. Various widenings have also been effected between Chengtu Road and Hart Road during the year. A length of 90 feet of 3 ft. diameter culvert has been laid along the line of the existing creek east of Edinburgh Road.

Moulmein Road between Bubbling Well Road and Great Western Road has been raised and graded.

Connaught Road and Ferry Road.—A new main sewer has been laid from the junction of Ferry and Sinza Roads along Ferry Road and Connaught Road and discharging into the Hsukungpang east of Gordon Road. This sewer consists of 1' 6" $\times$ 1' 0" egg-shaped pipes at the summit and gradually increasing up to 3 ft. diameter tubes at the outfall. It will greatly relieve the system of sewers north of Avenue Road which hitherto had no satisfactory means of discharging.

Gordon Road.—A 3 ft. diameter culvert has been laid from Avenue Road to Sinza Road and the side ditch filled in.

Ferry Road.—A 12" pipe sewer has been laid from Bubbling Well Road to Nanyang Road and the side ditch filled in.

The surfaces of the following roads have been treated with Asphaltum :—

Yates Road from Great Western Road to Bubbling Well Road.

Avenue Edward VII from Rue Vouillmont to Rue Wagner.

Ynyuen Road from Bubbling Well Road to Edinburgh Road.

Edinburgh Road for its entire length.

Bubbling Well Road from Thibet Road to Carter Road.

Avenue Road from Carter Road to Hart Road.

Seymour Road from Weihaiwei Road to Bubbling Well Road.

Sinza Road from Gordon Road to Ferry Road and from Hart Road to Kiaochow Road.

Total Mileage 4.912.

With Desiccated Tar :—

Siccawei Road from Bubbling Well Road to Siccawei.
 Hart Road from Great Western Road to Connaught Road.
 Connaught Road from Kiaochow Road to Gordon Road.
 Mohawk Road from Bubbling Well Road to Avenue Edward VII.
 Weihaiwei Road from Mohawk Road to Seymour Road.
 Gordon Road from Bubbling Well Road to Ichang Road.
 Ferry Road from Bubbling Well Road to Sinza Road.
 Ferry Road from Robison Road to West Soochow Road.
 Ichang Road from West Soochow Road to Ferry Road.
 Hardoon Road from Great Western Road to Bubbling Well Road.
 Annam Road from Hardoon Road to Hart Road.
 Chungking Road from Avenue Edward VII to Weihaiwei Road.
 Love Lane.
 Jessfield Road from Yuyuen Road to Connaught Road.
 Jessfield Road from Brennan Piece to Jessfield Ferry.
 Robison Road from Gordon Road to Ferry Road.
 Manila Road from Avenue Edward VII to Great Western Road.
 Unnamed roads north of Great Western Road east of Yates Road.
 Great Western Road from Siccawei Road to Tifeng Road.
 Tifeng Road from Great Western Road to Jessfield Road.
 Roads in Public Recreation Ground.
 Park Road from Bubbling Well Road to Burkill Road.
 Bubbling Well Road from Carter Road to Siccawei Road.
 Brennan Road from Jessfield Road to Edinburgh Road.
 Hungjao Road from Siccawei Road to Tungwen College.
 Connaught Road from Jessfield Road to Kiaochow Road.
 Hart Road from Connaught Road to Bubbling Well Road.
 Kiaochow Road from Yuyuen Road to Robison Road. Total Mileage 17,968.

Description and Mileage of Roads and Footways.

The mileage of roads under the control of the Council is about 130 miles, and may be classified as follows :—

Description.	DISTRICTS.				Total Mileage
	Central	Northern	Eastern	Western	
Macadamized	<i>Miles</i> 11,212	<i>Miles</i> 14,131	<i>Miles</i> 19,785	<i>Miles</i> 33,893	79,021
Paved	8,713	6,320	3,047	2,666	20,746
Unmetalled	—	1,009	9,780	19,711	30,500
Total	19,925	21,460	32,612	56,270	130,267

and the mileage of footways as follows :—

Description	DISTRICTS.				Total Mileage
	Central	Northern	Eastern	Western	
Paved	<i>Miles</i> 31,060	<i>Miles</i> 27,784	<i>Miles</i> 14,010	<i>Miles</i> 19,385	92,239
Unpaved	0,214	3,021	4,648	11,842	19,725
Total	31,274	30,805	18,658	31,227	111,964

Trenches opened and made good during the year.

	Central District		Northern District		Eastern District		Western District		Totals	
	Feet run	Super. feet	Feet run	Super. feet	Feet run	Super. feet	Feet run	Super. feet	Feet run	Super. feet
Shanghai Gas Company, Ltd.	4,001	7,254	4,514	7,791	1,926	3,715	3,440	5,391	13,881	24,151
Shanghai Waterworks Co., Ltd.	2,684	8,077	3,373	8,411	11,937	27,374	16,596	30,883	34,590	74,745
Shanghai Mutual Telephone Co., Ltd.	4,744	13,112	6,432	17,974	—	—	40	200	11,216	31,286
Electricity Department	3,202	5,780	1,846	4,601	18,542	37,671	1,160	3,384	24,750	51,436
Tramway Company	—	—	401	367	2,318	1,868	233	233	2,952	2,468
Total	14,631	34,223	16,566	39,144	34,723	70,628	21,469	40,091	87,389	184,086

Mileage 14.65.

Tramway Track.

On account of the Tramway Company not having agreed to the Council's revised terms for undertaking the maintenance of the macadamised and chip-paved portions of the tracks, no repairs were effected until towards the end of June, when it was agreed that the Council should proceed with the work conditionally on the terms finally agreed upon being made retrospective to the beginning of the year.

The terms for the upkeep of the track were finally agreed upon towards the end of the year, when it was arranged that the Council shall undertake the upkeep and renewal of the surface of the whole of the track, including the wood block paved portions and the stone sets, upon an annual contribution of Tls. 16,500 being made. This arrangement will remain in force for 10 years, from January 1, 1917, and the terms upon which any readjustment may be made at the end of that period have been mutually agreed upon.

The replacing of the waterbound macadam by bituminous macadam, as carried out along the more important portions of the track has been fully justified, the new form of construction resulting in a better and much more permanent form of roadway.

The clearing of the rail grooves has been carried out as hitherto by the Department under arrangement with the Company.

Cleansing and Watering.

The boating contract for the removal of road refuse from the various shoots to approved dumping grounds has been carried out satisfactorily.

All repairs to carts and harness have been carried out departmentally at the Tungchow Road Workshops.

The ponies have been supplied under contract by the Shanghai Horse Bazaar, very few accidents, and these of a minor nature only, have been recorded.

The steam waterwagon has worked continuously throughout the year as required, and has proved very satisfactory.

Plant.—The particulars and dispositions of the Rolling Stock on December 31 were as follows:—

Description	Central and Western Districts	Northern and Eastern Districts	Total
Water Carts	37	24	61
Steam Water Wagon	1	—	1
Gully Carts	10	9	19
Dust Carts	21	15	36
Machine Scrapers	11	2	13
Machine Brushes	22	14	36
Works Carts	38	36	74
Garbage Carts	16	—	16
Sets of Harness	110	79	189
Steam Rollers	—	—	12
Motor Wagon	1	—	1

ROAD SWEEPINGS, GULLY DEPOSIT, ETC., COLLECTED.

Month.	Garbage Cartloads.	Road Detritus Cartloads.	Gully Deposit Cartloads.	Total.
January	93	4,541	1,012	5,646
February	84	3,690	961	4,735
March	93	4,139	1,027	5,259
April	90	3,837	988	4,915
May	93	4,215	954	5,262
June	90	4,188	984	5,262
July	93	4,483	956	5,522
August	93	4,766	931	5,790
September	119	4,489	942	5,550
October	123	4,630	1,002	5,755
November	120	4,115	939	5,174
December	149	4,497	938	5,584
Total	1,240	51,590	11,634	64,464

Of the 51,590 cartloads of road detritus collected, 1,519 cartloads were used for raising land in private gardens and 4,116 cartloads for raising new roads.

Water Supply.

The following is the Annual Return supplied by the courtesy of the Engineer-in-Chief of the Water works Company :—

MUNICIPAL WATER SUPPLY FOR WATERING ROADS AND ALL OTHER PURPOSES
FOR THE YEAR ENDED DECEMBER 31.

Month.	Watering Roads		All other Purposes.	Water used Total Gallons.
	Cartloads.	Gallons.		
January	8,435	1,687,000	4,630,150	6,317,150
February	13,776	2,755,200	4,601,474	7,356,674
March	19,598	3,919,600	5,304,230	9,223,830
April	26,952	5,390,400	5,687,114	11,077,514
May	39,379	7,875,800	6,397,572	14,273,372
June	28,583	5,716,600	7,038,550	12,755,150
July	48,237	9,647,400	8,251,956	17,899,356
August	48,599	9,719,800	10,529,678	20,249,478
September	40,594	8,118,800	7,060,624	15,179,424
October	34,095	6,819,000	6,899,654	13,718,654
November	31,070	6,214,000	5,206,980	11,420,980
December	14,880	2,976,000	6,238,491	9,214,491
Total	354,198	70,839,600	77,846,473	148,686,073
Watering Roads on 329 days, 354,198 carts			70,839,600 gallons.	
Police Stations, Abattoirs, Markets, Latrines, etc.			55,080,000	"
Electric Light Works			11,220,000	"
Making Roads, Steam Rollers, Washing Carts, etc.			7,564,950	"
Sanitary purposes			480,000	"
Used at Fires			3,501,523	"
			Total	148,686,073 gallons.
Daily Average 407,359 Gallons.				

Hydrants and Mains.

Sixty-one additional hydrants for fire extinguishing and street watering purposes have been erected on Municipal roads as follows :—

Central District	5
Northern „	3
Eastern „	29
Western „	24
Total	61

The following lengths of water mains have been laid in Municipal roads :—

	6" Main Lineal feet.	9" Main Lineal feet.
Central District	530	—
Northern „	805	—
Eastern „	1,764	3,981
Western „	6,965	—
	10,064	3,981

LABOUR.

The following table shows the average number of men employed daily upon public works, exclusive of those employed at Pingchiao Quarry and of Contractors' employes :—

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Foremen	207	207	208	208	208	218	207	237	208	208	207	207
Artisans	396	596	637	509	505	449	495	495	480	479	443	281
Coolies	2,002	2,531	2,921	3,103	3,035	2,647	3,163	3,057	2,739	2,637	2,385	2,062
Mafoos	165	160	166	166	166	166	165	165	166	165	165	165

Convict Labour.

Owing to shortage of Warders for supervising the gangs, no stone breaking has been carried out during the year.

Bass brooms, machine brushes and squeegees have been manufactured for the Department valued at \$748.

Convicts were also employed throughout the year on whitewashing, vermin-proofing and painting at the Gaol, and the earnings on this account amounted to \$2,250.

Sundry repairs were carried out by convict labour on the Gaol Buildings, amounting to \$450 ; iron hoppers were fixed to windows at a cost of \$792 ; the matting and awning at the Town Hall was repaired at a cost of \$111 ; and Park chairs were constructed at a cost of \$137.

Work Shelters.

The nationalities of the inmates were as follows :—

British	10
Norwegian	9
American	3
Mexican	2
Armenian	2
German	1
Italian	1
Spanish	1
Portuguese	1
Swedish	1
Polish	1
Danish	1
Finnish	1
Russian	1
	35

The number of admissions and bundles of wood chopped was as follows :—

	Admissions.	Bundles of Wood chopped.
January	—	—
February	5	15
March	35	105
April	92	230
May	55	172
June	22	66
July	11	33
August	—	—
September	23	60
October	106	273
November	85	219
December	18	54
Total	452	1,227

CREEKS AND RIVER.**Dredging.**

The minor creeks and ditches have been regularly cleaned out by means of hand dredging as found necessary from time to time in order to properly conserve them.

The following table shows the amount of mud removed from the River and main creeks during the year :—

Band foreshore and Soochow Creek	1,710 fong
Wayside Public Wharf	1,949 „
Tszepang	1,140 „
Singkeipang	1,230 „
Defence Creek	185 „

The usual amount of dredging by direct labour has also been carried out in the minor creeks.

Bundings.

Soochow Creek.—A length of 50 feet concrete bunding has been constructed in West Soochow Road fronting Cadastral Lot 4835, by direct labour.

A concrete bunding has been constructed in West Soochow Road fronting Tatung Road and Cadastral Lots 806 and 807.

A concrete bunding is being constructed in West Soochow Road west of Stonebridge and fronting Cadastral Lot 725, the work being carried out by direct labour.

A concrete bunding has been constructed in West Soochow Road fronting Mokanshan Road, by direct labour.

A concrete bunding has been constructed in North Soochow Road east of North Shanse Road connecting up with the bunding which was constructed last year, west of North Honan Road and replacing the old defective timber bunding.

The defective timber bunding at Astor Road has been replaced by a concrete one. The work was carried out by direct labour.

Yangtszepoo Creek.—The construction of the concrete bunding in Lay Road south of Yangtszepoo Road under contract was commenced in February. The work should be completed in the early part of 1918.

Hongkew Creek.—Extensive repairs have been carried out on the timber bundings.

Landing Accommodation.

Pontoons.—Minor repairs and painting have been effected on all pontoons. The decking of the Kinkiang Road pontoon has been changed from concrete to wood.

Landing Stages.—Dredging work was carried out at several of the Bund Pontoons, silting having occurred to such an extent that some of the pontoons were resting on the mud at low water.

Eight of the old defective timber jetties fronting North Soochow Road, between North Thibet Road and North Fokien Road, have been replaced by standard type reinforced concrete ones.

Two additional concrete jetties have been constructed in North Soochow Road, one adjoining Cadastral Lot 101, Northern, east of Kansuh Road, and one east of Chapoo Road.

The existing timber jetty at Astor Road has been extensively repaired.

A concrete jetty has been constructed fronting the new bundings in West Soochow Road at each of the following locations : at Tatung Road, at Mokanshan Road, and fronting Cadastral Lot 4835, W.

A new inset reinforced jetty has been constructed at the new bunding in Lay Road, immediately south of Yangtszepoo Road.

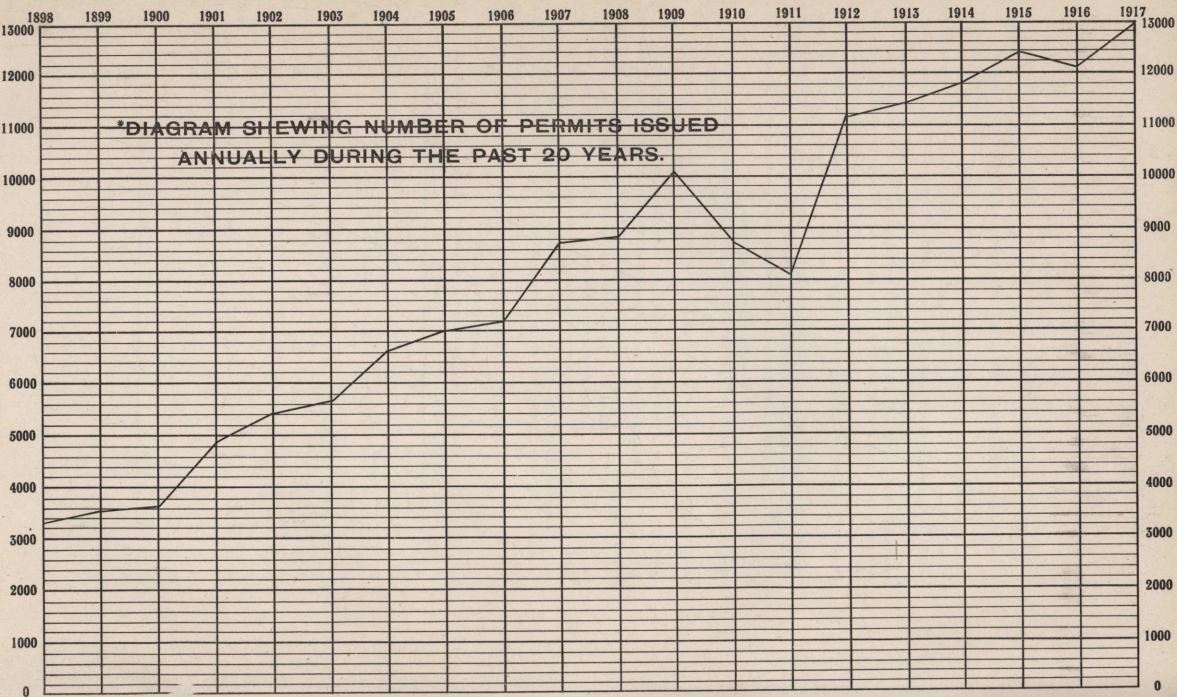
Stone landing-steps have been constructed on the River front at Wetmore Road.

PUBLIC LIGHTING.

The following tables show the number of street lamps in lighting on December 31.

Gas.

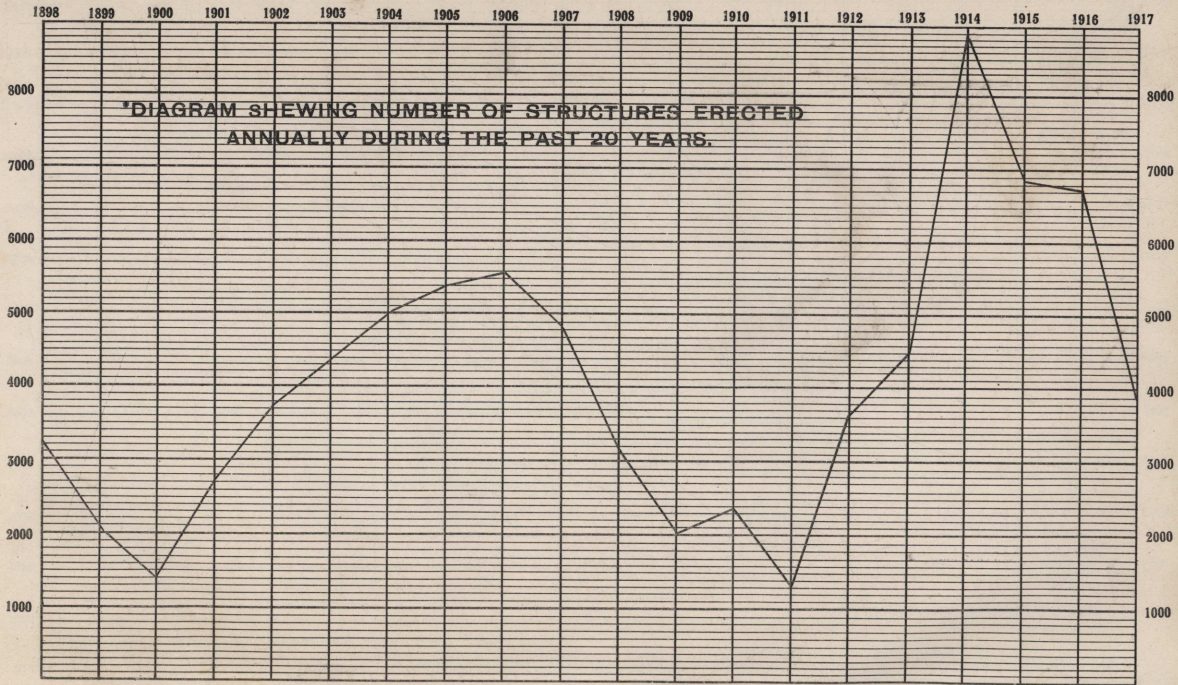
Type	Removed during 1917					Erected during 1917					In lighting December 31, 1917				
	District					District					District				
	C.	N.	E.	W.	Total	C.	N.	E.	W.	Total	C.	N.	E.	W.	Total
" C " Burners	11	—	—	—	11	1	1	—	—	2	109	216	35	105	465
Refuge lamps	—	—	—	—	—	—	—	—	—	—	—	2	—	—	2
600 c.p. Self Intensifiers	—	—	—	—	—	—	5	—	1	6	—	5	—	1	6
300 c.p. Self Intensifiers	—	—	—	—	—	—	—	—	—	—	1	3	1	2	7
Bijou Burners	—	—	—	—	—	—	—	—	—	—	—	17	25	—	42
Flame Burners	—	—	—	—	—	—	—	—	—	—	49	2	4	1	56
Other Burners	—	—	—	—	—	—	—	—	—	—	—	4	—	3	7
High pressure lamps	—	—	—	—	—	2	4	—	—	6	32	10	—	—	42
Total	11	—	—	—	11	3	10	—	1	14	191	259	65	112	627



*DIAGRAM SHEWING NUMBER OF PERMITS ISSUED
ANNUALLY DURING THE PAST 20 YEARS.

"PE.M"

NEW BUILDINGS NOT INCLUDED



Electricity.

Type	Removed during 1917					Erected during 1917					In lighting December 31, 1917				
	District					District					District				
	C.	N.	E.	W.	Total	C.	N.	E.	W.	Total	C.	N.	E.	W.	Total
Metallic Filaments 2,000 c.p.	—	—	—	—	—	—	—	—	—	—	4	—	—	—	4
1,000 c.p.	—	—	—	—	—	14	—	—	—	14	14	—	—	—	14
800 c.p.	14	—	—	—	14	21	—	—	—	21	7	—	—	—	7
400 c.p.	1	8	1	—	10	—	5	2	—	7	95	124	40	61	320
200 c.p.	1	1	—	—	2	3	7	—	—	10	124	11	30	37	202
100 c.p.	—	2	—	—	2	—	26	1	—	27	7	31	105	83	226
60 c.p.	13	1	—	1	15	13	14	11	60	98	83	132	250	479	944
Total	29	12	1	1	43	51	52	14	60	177	334	298	425	660	1,717

The following table shows the fines which have been imposed for defective and/or unlighted lamps.

Month.	Electricity.	Gas.
January	Tls. 35.05	\$110.06
February	28.75	21.39
March	19.86	9.66
April	41.81	17.94
May	51.14	13.11
June	140.30	10.85
July	93.74	11.73
August	182.51	16.91
September	298.59	39.33
October	28.27	33.12
November	90.87	55.20
December	116.73	97.29
	Tls. 1,157.62	\$436.09

NEW BUILDINGS.

The most important buildings and blocks of houses erected or in progress during the year were :—

Central District.—69 Chinese houses, Yunnan and Hankow Roads ; one block of Offices, Hankow and Shantung Roads ; 81 Chinese houses, Chekiang and Foochow Roads ; One Store, Shanse and Nanking Roads ; 91 Chinese houses, Canton, Yunnan and Pakhoi Roads ; 20 Chinese houses, Nanking and Shanse Roads ; One Store, Nanking and Thibet Roads ; 26 Chinese houses, Hankow Road ; One Store, Honan and Kiukiang Roads ; one block of Offices, Soochow Road ; One block of Offices, Hongkong Road ; 33 Chinese houses and one Bathhouse, Fokien and Canton Roads ; 100 Chinese houses, Hoopoh, Canton and Fokien Roads ; 58 Chinese houses Fokien and Kiukiang Roads ; 68 Chinese houses, Kiukiang, Chekiang and Hankow Roads ; 57 Chinese houses, Tientsin Road ; 53 Chinese houses, Bingyongka, Kwangse and Foochow Roads ; one Store, Nanking Road ; one Block of Offices, Hankow Road.

Northern District.—Additions to General Hospital, Tiendong Road ; 152 Chinese houses, Tiendong and North Kiangse Roads ; 90 Chinese houses, North Honan, Tsepoo and North Kiangse Roads ; 41 Chinese houses, Elgin Road ; 1 Godown, North Soochow Road ; 33 Chinese houses, Tiendong Road ; Addition to Astor House Hotel, Broadway ; 27 Chinese houses, Woosung Road.

Eastern District.—43 Chinese houses, East Yalu and Singkeipang Roads; 1 Factory, Tongshan Road; 265 Chinese houses, East Seward Road; 1 Cinema Theatre, East Yalu and Wuchow Roads; 1 Factory, Rangoon Road; 17 Foreign houses, Baikal Road; 1 Godown, Yangtsepoo Road; 1 Cotton Mill, Seoul Road Extension; 1 Factory, Broadway East; 46 Chinese houses, Tungchow Road; 118 Chinese houses, Baikal and Yangtsepoo Roads; 20 Chinese houses, Lay Road; 29 Chinese houses, East Yalu Road; 89 Chinese houses, Thorburn Road; 1 block of Offices, Yangtsepoo Road; 42 Chinese houses, Yangchow Road; 94 Chinese houses, Broadway East; 1 Mill, Ward and Chemulpo Roads; 1 Mill, Ward and Linching Roads; 23 Chinese houses off Wuchow Road.

Western District.—4 Foreign houses off Yuyuen Road; 2 Foreign houses, Yates Road; 50 Chinese houses, Weihaiwei Road; 1 Foreign house and 23 Chinese houses, Avenue Edward VII; 6 Foreign houses, Ichang Road; 52 Chinese houses, Chengtu Road; 53 Chinese houses, Bubbling Well Road; 46 Chinese houses, Gordon Road; 1 Godown, 1 Workshop and addition to Mill, Markham Road; 1 Subway, Bubbling Well Road; 2 Godowns and 13 Chinese houses, Markham Road; 14 Godowns, West Soochow Road; 2 Godowns, Markham Road.

New Building Permits.

During the year permits have been issued for the erection of 3,926 structures as against 6,767 structures in 1916, and 6,892 in 1915.

For the sake of comparison the figures for the last ten years are given :—

Year.	Central	Northern	Eastern	Western	Total
1908	497	841	603	1,140	3,081
1909	309	429	558	784	2,080
1910	555	601	515	696	2,367
1911	479	139	355	280	1,253
1912	533	1,035	956	939	3,513
1913	702	1,160	538	2,035	4,435
1914	1,380	1,622	2,153	3,669	8,824
1915	848	1,848	1,411	2,785	6,892
1916	879	1,042	2,221	2,625	6,767
1917	923	632	1,462	909	3,926

The new buildings erected during the year as compared with the years 1916 and 1915 may be classified as follows :—

Description.	1917	1916	1915
Chinese houses	3,342	5,903	6,134
Foreign buildings	58	89	41
Godowns	36	41	27
Stables	17	15	21
Sheds	71	103	100
Miscellaneous	402	616	569
Total	3,926	6,767	6,892
Estimated value in Taels	4,783,400	6,323,000	4,982,500

Applications for Licences dealt with.—467.

Inspections of Licensed Premises.—1,002.

Dangerous Buildings.—31 Notices have been issued affecting 112 houses.

Plans submitted for approval.—771.—249 by Foreigners, 522 by Chinese.

Drain connexions to Public Sewers.—145 connexions have been made as against 217 during 1916 and 267 during 1915.

The following is a list of permits issued. A list of those issued during 1915 and 1916 is appended for the sake of comparison :—

Description.	1917	1916	1915
New Buildings	573	644	677
General	608	334	460
General (Minor purposes)	5,430	5,866	6,221
Landing Materials	553	543	529
Sunshades	3,468	3,441	3,276
Gas Company	792	685	755
Waterworks Company	1,560	1,237	1,113
Tramway Company	28	26	—
Water Closets	18	—	—
Total	13,030	12,776	13,031

Renewals of building permits are not included.

Summary of Work Done.

Description of Work	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Buildings under construction*	266	245	309	303	286	278	264	296	290	289	225	223	
Plans submitted for approval	59	68	81	56	68	73	38	77	54	61	64	76	771
Plans approved	47	46	67	48	44	56	34	70	44	36	40	41	873
Inspections by Inspectors	1,637	2,082	2,317	2,103	2,032	2,264	2,076	2,037	2,134	2,117	2,191	2,174	25,164
Boundary Walls erected													
Carpenters' sheds, erected													
Repairs effected to Buildings													
New shop fronts inserted													
Shop Fronts, etc., painted	198	362	473	304	385	338	383	389	344	372	330	362	4,230
Alterations effected													
Fences erected													
Signboards erected													
Drying stages erected													
Temporary mat sun-shades erected	37	38	72	78	264	237	145	47	33	54	54	41	1,200
Temporary cloth sun-shades erected	1	85	844	1,017	836	403	185	61	25	9	2	0	3,468

*These figures refer to the number of blocks of buildings under construction, the number of houses would be considerably greater.

PINGOCHIAO QUARRY.

Quarrying.—21,091.25 fong of stone was blasted during the year, 3,073 fong of which was rejected. 52,032 feet of borings were drilled and blasted and 5,606 lbs. of gelignite used, giving an average of 3.75 fong (15.62 tons) per lb. of explosive.

Plant.—The No. 1 Machine (Baxter 16" × 9") worked 280 days and produced 3,161.50 fong of stone. The No. 2 machine (Gates) worked 273½ days and produced 5,538.75 fong of stone.

The No. 3 machine (Baxter 24" × 15") worked 303 days and produced 8,790.50 fong of stone.

The jaw stock of the No. 3 Machine broke in December and arrangements have been made for a new jaw stock to be sent up from Shanghai.

All machinery and boilers have been kept in good order, but there has been a number of minor breakdowns. Obstacles in the way of obtaining suitable material have increased the difficulty of executing repairs, rapidly, economically and efficiently.

Buildings, etc.—All buildings have been kept in good order and the wooden girders of Chang San Chiao and La Ka Chiao which had become endangered by the ravages of white ants were replaced by reinforced concrete girders sent up from the Concreteware Yard.

The new bungalow was commenced at the end of the summer and has been constructed up to the eaves level.

A Chinese guard being sent to the Quarry in the Spring, plastered bamboo barracks were provided.

Labour.—The average number of coolies employed on 326 working days was 207. There were no fatal accidents but sickness during the summer interfered with the regular supply of labour. Malaria and dysentery were the commonest complaints.

Materials.

In stock 31st December, 1916	Nil	
Produced	Fong	Fong
Quarry spalls	90.00	
Hand broken $\frac{3}{4}$ " chips	437.50	
Machine broken $\frac{3}{4}$ " chips	9,429.00	
" " $\frac{1}{4}$ " "	5,560.00	
Machine sand	2,501.75	
		18,018.25
Despatched to Public Works Department :—		
Quarry spalls	90.00	
Hand broken $\frac{3}{4}$ " chips	437.50	
Machine broken $\frac{3}{4}$ " chips	9,429.00	
" " $\frac{1}{4}$ " chips	5,560.00	
Machine sand	2,476.75	
		17,993.25
To Hangchow Authorities :—		
Machine sand	25.00	
		25.00
	Total	18,018.25
In stock December 31, 1917		Nil

(1 Fong = 100 cubic feet or $4\frac{1}{2}$ tons)

Plant and Machinery.

All plant and machinery has been in operation constantly during the year and has been maintained in good order. An additional 7-ton stone steam roller was received early in the year, bringing the total number up to twelve. The steam water wagon has proved extremely economical in operation and has been in daily use for 18 months. The present state of industries in Europe and America makes it impossible at the present moment to obtain additional plant of this nature.

All repair work has as far as possible been carried out at Tungchow Road Workshops, the number of orders completed during the year being 1,438. The number of artisans employed averaged 108 daily. Shortage of plant necessitated night work on 169 days. This difficulty of obtaining spare machinery parts from abroad has led to more work being carried out locally. On the whole this has turned out satisfactory. On account of the abnormal state of the metal market it is not possible to state if it has been economical, there was however no alternative.

Boiler Inspection.

Forty-five inspections of boilers have been made and in most cases the boilers were found in good condition. Generally speaking there is a considerable improvement in the management of boilers under purely Chinese control, only one case being found of a safety valve wedged down.

CONCRETEWARE.

The total output of concreteware during the year amounted to 81,187 pieces as against 256,666 pieces in 1916. The reduction in the output is entirely due to the smaller requirements of facing-bricks for the new Central Offices.

The following is a list of the various articles made :—

Machine made pipes 4", 6", 9", and 12"	17,213
Circular tubes 3' 0" and 4' 6"	892
Egg-shaped tubes 1' 6" × 1' 0", 2' 3" × 1' 6", 3' 0" × 2' 0"	4,148
Reinforced concrete piles and sheet piles	165
Manhole shafts, slabs, covers and bricks	23,141
Kerbs and channels	10,894
Grave slabs	1,039
Gullies and covers	628
M.C.R. Stones and Boundary stones	2,318
Kitchen sinks	10
Bends	476
Inverts	71
Junctions	233
Facing bricks for new Central Offices	12,458
Cable ducts and bottom	210
Cable poles	10
Roof tiles and ridge tiles	4,790
Pavement tubes and sockets	2,449
Miscellaneous	42
Total	81,187

During the year the workshed has been extended in length by 85 feet and a travelling crane has been erected for the easier removal of heavy steel moulds.

Fifty-eight consignments of cement have been tested in accordance with the Municipal Standard Specification. The total quantity of cement passed through the Yard was 29,000 casks (4,919 tons) as against 21,340 casks in 1916. Fifty-eight concrete blocks have been tested for compressive resistance and several bending tests of various kinds of timber have been carried out.

CHAS. H. GODFREY,
Engineer & Surveyor.

MUNICIPAL PROPERTIES.

PUBLIC SCHOOL FOR GIRLS AND CHILDREN'S PLAYGROUND.—

In June 1916, a petition by ratepayers was presented requesting the establishment of a school for girls and a kindergarten in the Western District. The proposal received the unanimous support of the Permanent Education and Foreign Educational Committees, and the Council having accorded its sanction provision was made for the cost in the Budget (*vide* Report 1916, p. 136A). The selection of a suitable site for this purpose and for the provision of a playground for children has been the subject of careful consideration, and a piece of land at the corner of Yuyuen and Tifeng Roads in close proximity to the Bubbling Well Tram terminus has been purchased at a cost of Tls. 73,767 for 50½ mow. Of this area, a portion will be reserved for the School and, until the needs of the future are more clearly defined, the remainder of the site will be adapted for use as a playground.

ELGIN MARKET.—

The unused portion of this site has been leased for a nominal sum to the Shih Pei Public School on terms contained in the appended letters :—

Shanghai, March 28, 1917.

SIR,—In the northern district of Shanghai, with the exception of the Public School for Chinese which is always crowded, there does not exist any suitable school for the Chinese young boys to acquire their education. For this reason, we established the Shih Pei School, opposite the Shanghai-Nanking Railway Station. The School fee charged is moderate and the number of students now exceeds 200. The school committee consisting of prominent merchants and scholars is responsible for all the expenditure incurred.

We are now in need of a gymnastic ground. It is understood that there is a vacant ground near the market place in Elgin Road, which is owned by the Council. We therefore beg respectfully that you will kindly allow us to make use of the whole or half of it, without charging us any fee. However, should you consider that charge is necessary, you are requested to let us know the amount.

It is generally known that the Council has rendered assistance to all kinds of Schools. We hope this application will meet with your kind consideration.

Thanking you in anticipation.

We have the honour to be, Sir, your obedient servants,

SHIH PEI PUBLIC SCHOOL,

P. K. TANG,

Director.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, May 21, 1917.

SIR,—In reply to your letter of March 28 on the subject of Lot 534, part of the Elgin Market Site, I am directed to state that the Council will permit the unused portion of this site to be utilized for recreation purposes until further notice, in return for a nominal rental of Tls. 5 per annum, on condition that the school will defray the cost of fencing off that part of the lot which is required for storing ashes, etc., for plague prevention purposes. It will of course be necessary to arrange for access to the site from the north, and not through the Elgin Market.

I am, Sir, your obedient servant,

N. O. LIDDELL,

Acting Secretary.

P. K. TANG, Esq.,

Director, Shih Pei Public School.

Shanghai, May 23, 1917.

SIR,—I have the honour to acknowledge, with thanks, the receipt of your letter of the 21st instant, in which you kindly informed me that the Council has permitted this school to utilise the unused portion of Lot 534 for recreation purposes in return for a nominal rental of Tls. 5 per annum.

In reply, I beg to inform you that this school is willing to defray the cost of fencing the ground and will arrange for access to the site from the north. You will be duly informed when this school commences to make use of the ground.

I am, Sir, your obedient servant,

P. K. TANG,

Director, Shih Pei Public School.

N. O. LIDDELL, Esq.,

Acting Secretary, Municipal Council.

PUBLIC SWIMMING BATH.—

The request of Mr. A. E. Algar was approved to be permitted to purchase for the rectification of the boundary of I.C. Lot 161 a small triangular piece of land measuring Mow 0.003 for Tls. 50. The piece of land in question is a projecting corner of land which is outside the wall of the Swimming Bath property.

HONGKEW RECREATION GROUND.—

With a view to an enlargement of the Hongkew Recreation Ground and to an improvement of the line of the Kiangwan Road, advantage was taken of an opportunity of acquiring from the Range Property Syndicate the land between the present Kiangwan Road and the Woosung Railway line, consisting of P.B.C. Lots 6, 11, 14, 137, 191, 274, 275, 276, 320, 338, 355, 361, and 481, at the rate of Tls. 1,920 per mow or Tls. 66,111 for Mow 34.433. Of this area, Lot 361 Pao, measuring Mow 0.946, lies on the west side of the railway. The project embraces inclusion within the Hongkew Recreation Ground of the existing roadway and construction of a new roadway adjacent to the railway line throughout its length, thereby obviating the double right-angle bend at the south end of the village. To complete the projected improvement it was necessary also to purchase from Mr. C. Luthy, Belgian Lot 7 Pao, measuring Mow 1.189, with the house standing thereon, at the original cost price, plus 10 per cent., or a total sum of Tls. 12,204.

STUDLEY PARK.—

Following upon the correspondence which took place during 1916 on this subject, contained on page 63B of the Report for last year, at the ensuing Meeting of Ratepayers an amendment to the Budget Resolution, proposed by Mr. Macdonald and seconded by Mr. J. S. Symons, was carried without dissent, as follows :—

AMENDMENT TO RESOLUTION V.*Studley Park.*

That the Council be hereby authorized and directed to arrange for the purchase, as a playground for children, of the piece of land known as Studley Park, and that the appropriation for playgrounds for children be increased by such sum as is necessary for the purpose.

Negotiations for the purchase were accordingly concluded with Messrs. A. R. Burkill and Sons in terms of the following correspondence :—

Council Room, Shanghai, April 24, 1917.

GENTLEMEN,—In reply to your letter of April 2 on the subject of the Studley Park property, representatives of the Public Works Department and of your Company have now agreed upon areas in accordance with the plan hereto attached, which I shall be glad if you will be so good as to return duly signed by yourselves as indicating the general accuracy of the details contained therein.

The Council will be glad to know the amount of the interest charges on the purchase, less of course refund of the rents, if any, which have accrued since the property was acquired by the Company.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. A. R. BURKILL & SONS,
Agents, The Anglo-French Land Investment Co., Ltd.

Shanghai, April 25, 1917.

DEAR SIR,—We beg to acknowledge receipt of your letter of yesterday, enclosing plan of the land you are acquiring, which we now beg to return duly signed. We shall be glad if you will furnish us with a copy of this plan.

As regards the amount of interest charges, the property was purchased on October 27, 1915, so that the interest charge at this date is for one year and 180 days at 7 per cent. per annum of the cost price of Tls. 2,880 per mow. There is also the Land Tax for the same period.

No rentals have been obtained from the property.

We would ask that the Municipal Council shall agree to the following :—

1. That there shall be provided an entrance to the park on the southern boundary opposite the end of our private road there, in order that our tenants can obtain easy access.
2. That no fence or wall higher than seven feet be erected on the southern boundary and we feel sure that the Council will agree to these stipulations.

Regarding payment, we suggest that you should name a date for this, when we will render an account and deposit the Titles with you. Until the Title Deeds are endorsed and the official area decided on, we are agreeable to the holding back of say 10 per cent. of the amount of our account.

Yours faithfully,

THE ANGLO-FRENCH LAND INVESTMENT CO., LD.,

A. R. BURKILL & SONS,

Agents.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, May 3, 1917.

GENTLEMEN,—In reply to your letter of April 25 on the subject of Studley Park, I enclose herewith the plan requested. It is noted that interest charges on the property on April 25 calculated on Mow 5,839 at Tls. 2,880 per mow for one year and 180 days at 7 per cent were Tls. 1,800, the land tax for this period Tls. 139, the total cost to the Council thus being Tls. 18,755. It is noted that no rentals have been collected on the property since it came into your possession.

With respect to the requests contained in the latter part of your letter, I am directed to state that there will be no objection to the provision of an entrance to the Park on the southern boundary, opposite the end of the private road, provided always that both entrance and road are available for public use, so that adequate access is provided from Baikal Road, and so long as the property adjoining the Park is not utilised in any objectionable manner, the Council will not construct any wall around the Park in excess of a height of 7 feet.

I am, Gentlemen, your obedient servant,

N. O. LIDDELL,

Acting Secretary.

Messrs. A. R. BURKILL & SONS,
Agents, The Anglo-French Land Investment Co., Ltd.

Shanghai, May 3, 1917.

DEAR SIR,—We beg to acknowledge receipt of your letter of even date and thank you for copy of plan of Studley Park.

We note your remarks regarding the entrance on southern boundary and erection of fence or wall and agree to what you write.

We shall be glad to know when the matter may be completed.

We are, Dear Sir, yours faithfully,

THE ANGLO-FRENCH LAND INVESTMENT CO., LD.

A. R. BURKILL & SONS,

Agents.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

HUNGJAO ROAD NURSERY.—

The offer of Messrs. Lester, Johnson and Morriss was accepted to sell approximately twelve mow of land adjoining the Hungjao Nursery at the rate of Tls. 150 per mow.

WUCHOW ROAD DEPOT.—

The offer of the Chinese owner has been accepted to sell Lot 431, extending between the Sawgin and Wuchow Roads, at Tls. 4,800 per mow or Tls. 29,860 for Mow 6.221.

SINZA DEPOT.—

Under arrangement with Mr. E. I. Ezra, the old site of this Dépôt fronting upon Sinza Road was exchanged for a new and larger one close by with water frontage on both the Tszepang and Soochow Creek and access by the Tatung Road. The two sites, which measure respectively Mow 7.780 and Mow 11.767 were valued for the purpose of the exchange by Mr. P. Peebles at Tls. 44,735 and Tls. 58,835, leaving a balance in favour of Mr. Ezra of Tls. 14,100. From this was deducted Tls. 7,520.77 being the cost of B.C. Lot 8883 scheduled for extension of the old site and purchased last year, and Tls. 3,075.03, the agreed cost of removal of buildings, so that the net sum paid in respect of the completed transaction was Tls. 3,504.20.

PINGCHIAO QUARRY.—

The lease, from the Chinese Authorities at Hangchow, of the Pingchiao Quarry, which expired on July 27, 1916, has been renewed for a period of fifteen years commencing July 16, 1917, and terminating July 15, 1932. The negotiations for renewal have extended over several years, and the Council's thanks have been communicated to Mr. H. H. Bristow, H.M. Consul at Hangchow, and to Dr. Duncan Main for their assistance in connexion therewith. The text of the Lease is as follows :—

(Translation.)

THIS AGREEMENT made and entered into between the Shanghai Municipal Council at the introduction of the office of the Commissioner for Foreign Affairs of Chekiang, and Yao Ying-tai, Magistrate of the Hang-Hsien district for the renewal of the lease of the Pingchiao Quarry—known as Tow-shan and Chong-shan hills (the latter on the other side of the creek), upon the following agreed conditions :—

1. For purposes of stone quarrying the Shanghai Municipal Council continues the lease of the Towshan and Chong-shan hills (the latter on the other side of the creek) at Pingchiao in the Hang-Hsien district ; their boundaries are shown on the plan hereunto annexed.

2. The term for the lease of the Tow-shan and Chong-shan hills stated in the preceding clause shall be for a period of fifteen years, commencing July 16, 1917 (6th year of the Republic of China, or Min Kuo) and ending July 15, 1932, (21st year of the Republic of China, or Min Kuo) ; at the expiry of this period the Lessees shall hand over the entire area of the Tow-shan and Chong-shan hills to the Lessors (the Council being herein described as Lessees and the Hang-Hsien the Lessors).

3. For the rent of the leased quarry or Tow-shan and Chong-shan hills as mentioned in the preceding clause, a supply of broken granite and concrete drain pipes shall be made and during the period commencing from July 16, 1917 (6th year of Min Kuo) and ending July 15, 1932 (21st year of Min Kuo) the Lessees shall supply 16,666 tons of broken granite and 21,512 pieces of concrete ware ; to be equally divided and delivered to the lessors every year.

The broken stone will be of 2 inch and $\frac{1}{4}$ inch gauge and the concreteware to be supplied will be as follows :—

4,889	1ft. 6in. by 1ft. Concrete drain pipes
9,167	9in. "
4,278	6in. "
611	B gullies
611	6in. Concrete Bends
611	6in. to 4in. Concrete taper pipes
611	6in. by 4in. Concrete junctions
245	1ft. 6in. by 1ft. 6in. "
489	9in. by 6in. "

With regard to the above mentioned broken stone the lessors may from time to time send men to take same at Pingchiao but previous notice should be given to the lessees, the freight and transport fees to be paid by the lessors. As to the concreteware the lessees will hire boats for transport from Shanghai to Hangchow and will pay the freight and fees but the lessees will not be responsible for any damage in transit. The lessors if they desire may send their employees to Shanghai to accompany any shipment but any extra freight or transport fees shall be paid by the lessors.

It is agreed that no more than 500 tons of broken stone shall be required to be supplied every or any one month while the concreteware to be supplied in any one month shall not exceed in value of Taels One thousand, Shanghai currency.

In addition to the quantities to be supplied by the lessees according to the terms of the lease, if the lessors require additional stone at any time the lessors may buy the same at the quarry at its cost price but the quantity shall not exceed 500 tons in any one month and the freight and transport fees shall be paid by the lessors.

A price list of the old style concrete pipes as above mentioned is attached and if the lessors desire to use the new style pipes they can make arrangements for exchange on payment of the difference in the current prices of the old and new pipes.

4. There is an area known as B in the Tow-shan hill and the rent therefor shall be Tls. 50 (Chekiang currency) per annum payable by the lessees in July.

5. Commencing from July 16, 1917 (6th year of Min Kuo) the Lessors shall send a deputy with a writer and several servants to stay at the Quarry for maintaining order, the Lessees providing their quarters.

The expenses for the said deputy at the quarry is fixed at \$100 per month and this amount shall be supplied by the lessees to be remitted to the office of the Commissioner for Foreign Affairs monthly.

The said deputy should consult or arrange with the Overseer at the quarry as to the control of workmen but he shall not interfere with the working of the quarry.

6. At the time of transporting the stone obtained from the quarry, the residents in the neighbourhood shall not make any obstruction ; in case anyone disobeys, the quarry overseer shall jointly with the deputy explain matters from time to time for the benefit of traffic but the lessees shall do no damage to the residents' property, public waterways and buildings beyond or outside the quarry ; in case of any damage the matter should be investigated and compensation made accordingly by the lessees when found that damage has been done ; in the event of dispute the quarry overseer and the deputy may jointly refer it for settlement by the Chinese and Foreign authorities.

7. With the exception of the Council's workmen or assistants no person shall enter any building or structure on the leased area without obtaining the overseer's consent in the first place; anyone disobeying will be handed over by the quarry deputy for punishment by the local authorities.

8. Whenever labour is required the lessees are at liberty to employ the residents in the vicinity of the quarry.

9. During the silkworm rearing season every year the blasting operations at the quarry shall be discontinued for a fortnight, the time to be fixed by the quarry deputy and overseer accordingly.

10. At the expiry of this lease the lessees shall hand over the quarry to the lessor's control and should there be then any building or structure that cannot be removed conveniently, such property being of no value shall be handed over to the lessors.

11. This lease shall come into force upon completion and signature by the contracting parties and the lease made on July 15, 1898, then comes to an end.

12. The terms of this lease will be embodied in a proclamation to be issued by the local authorities and posted at the quarry for general information.

13. Four copies of this lease are made, one copy to be deposited with the Municipal Council, one at the Hang-Hsien Magistrate's yamen, one at H. M. Consulate, Hangchow, and the other copy with the office of the Commissioner for Foreign Affairs of Chekiang.

SUPPLEMENTARY CONDITIONS.

1. The quantity of broken granite short delivered or which should have been supplied during the 18 years from July 15, 1898, to July 16, 1916, or concreteware that has not been supplied shall continue to be delivered according to the 1898 lease according to the quantities stipulated in the agreements to be delivered monthly or a cash sum shall be paid in lieu.

2. From July 16, 1916, to July 15, 1917, the lessees shall continue the supply of broken stone and concreteware according to the conditions of the 1898 lease to be delivered in full every month or a cash sum shall be paid in lieu.

3. If and when the lessors do not require the broken granite or concreteware which should be supplied by the lessees, they may receive a cash sum instead according to the price list attached.

Made this 6th day of February 1917 (6th year of Min Kuo) at the office of the Commissioner for Foreign Affairs of Chekiang.

Shanghai Municipal Council—Seal. Yao Ying-tai, Magistrate of Hang-Hsien—Seal.

H. M. Consul at Hangchow—Signature & Seal.

Acting Commissioner for Foreign Affairs of Chekiang—Signature & Seal.

SCHEDULE.

List of prices for broken granite and concreteware to be supplied by the Shanghai Municipal Council.

16,666 tons of broken granite Tls. 0.90 per ton		Tls. each
4,889	1-ft. 6-in. by 1-ft. concrete drain pipes	1.90
9,167	9-in. concrete drain pipes	0.60
4,278	6-in. " "	0.40
611	concrete B gullies	2.00
611	6-in. concrete knuckle bends	0.60
611	6-in. to 4-in. concrete taper pipes	0.50
611	6-in. by 4-in. concrete junctions	0.75
245	1-ft. 6-in. by 1-ft. 6-in. concrete junctions	2.25
489	9-in. by 6-in. concrete junctions	1.10

making a total of 16,666 tons of granite or a value of Tls. 14,999.46 and 21,512 pieces of concreteware or value Tls. 19,942

LATRINE SITE.—

The piece of land on Stonebridge Road, Cadastral Lot 693, was acquired in 1913 for use partly as an electricity sub-station and partly for the purpose of constructing a public latrine in this locality. The owner of the adjoining property, Mr. Zien Tsz-sung, requested permission to purchase the part of the site intended for the latrine, measuring approximately Mow 0.090, and it was sold to him for Tls. 1,300.

RIVERSIDE POWER STATION.—

Lots 6046, 6050, 6052, and a piece of unregistered land adjoining, of a total area of approximately 52 Mow have been purchased at the rate of Tls. 2,600 per mow or a total sum of Tls. 135,200. This enlargement of area has been carried out upon the recommendation of the Engineer-in-Chief and Manager endorsed by the Electricity Committee, in the view that having regard to the probable needs of the future, such is essential for the proper development of the Power Station. There was no Budget Appropriation available for the purpose, but in view of the fact that other parties were in negotiation for acquisition of the land its immediate purchase was authorized.

ELECTRICITY SUBSTATION.—

A piece of unregistered land in Haiphong Road near Gordon Road has been purchased for Tls. 1,000. It measures Mow 0.453.

PINGLIANG PIECE AND SURPLUS LAND.—

In arranging for acquisition of the piece of land shown on the Official Plans as Pingliang Piece, it has been found that the land is divided in long narrow strips among numerous owners so that the purchase of several pieces of surplus land will be unavoidable. Two offers of sale have been accepted during the year, in one case two strips of land bisected by the Pingliang Road were purchased at Tls. 600 per mow or Tls. 2,008 for Mow 3.347; in the other case, two strips, bisected by the Chemulpo Road, were acquired on the following terms:—An area of Mow 1.303, comprising Mow 0.563 in Pingliang Piece, Mow 0.373 Surplus Land, and Mow 0.367 in Chemulpo Road, at Tls. 600 per mow, Tls. 782, and a further area in the Chemulpo Road measuring Mow 0.290 at the proclamation price, Tls. 100 per Mow, which has now been surrendered.

SURPLUS LAND.—

P. B. C. Lot 180, a piece of land west of the Woosung Railway Line which was purchased in 1901 in connexion with the Hongkew Recreation Ground has been sold to Mr. Z. Chang-san. The sale price is at the rate of Tls. 1,200 per mow, or Tls. 2,640 for an area of Mow 2.2.

Cadastral Lot 2250, on Kinchow Road, opposite the Nieh Chih Kuei Public School for Chinese, which was purchased in 1914, with the co-operation of Mr. Chicheh Nieh as part of the site of the School, *vide* Report for that year, p. 28B, has been handed over to the Chin Woo Athletic Association in terms of the following correspondence:—

Shanghai, April 7, 1916.

DEAR SIR,—The "Chin Woo" Athletic Association, of which I am a member, has recently built its gymnasium on the corner of Baikal and Kinchow Roads and is opposite to the Nieh Chih Kuei Public School. There is, however, a strip of land owned by the Municipal Council, which prevents the Association ground from reaching Kinchow Road, and the Association is anxious to buy this last strip so as to bring the ground to both roads and to make the athletic ground to a better shape. As the purpose of the Council to own this small strip, being of an area of 0.439 mow for which I had the pleasure in sharing half of the cost, was to prevent objectionable buildings put up opposite the School, the Association wishes to assure the Council that the land in question is to be used for athletic purposes, and if there shall be any buildings put up on the land in future and for other purposes, such buildings should be subject to the approval of the Council. I beg you to please bring the matter for the Council's consideration and let me know its decision.

I am, Dear Sir, yours very truly,
CHICHEH NIEH.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, April 18, 1916.

SIR,—I am directed to acknowledge the receipt of your letter of April 7, on the subject of the piece of surplus land in Kinchow Road, fronting the Nieh Chih Kuei Public School. In reply thereto I am directed to state that the Council approves the suggestion to sell this land to the Chin Woo Athletic Association at half the original cost price (including half the land in the road) plus interest at six per cent. since date of the original purchase, or a total of Tls. 642. It is understood and agreed, as the condition of sale, that any buildings which may, in the future, be erected on this land shall be subject to the Council's approval.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

CHICHEH NIEH, Esq.

Council Room, Shanghai, June 1, 1916.

SIR,—With reference to my letter of April 18 on the subject of the piece of surplus land in Kinchow Road fronting the Nieh Chih Kuei Public School, I am directed to inform you that as the chief reason for acquiring the surplus land was to prevent the erection of objectionable buildings, the Council is willing to grant you the site without charge upon the understanding that any buildings which may in future be erected on this land shall be subject to the Council's approval.

I am directed to express the hope that this arrangement will be satisfactory to you.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

CHICHEH NIEH, Esq.

Shanghai, December 27, 1916.

DEAR SIR,—At a recent meeting of the Chin Woo Athletic Association, a letter was read from the Municipal Council, offering a gift of surplus land in the Kinchow Road to the Association. A vote of thanks was unanimously proposed for the generosity of the Council.

On the part of the Association, however, it seemed best to purchase the land, and I am commissioned therefore, to convey to the Council the enclosed cheque for Tls. 642, together with the thanks of the Association.

I remain, yours truly,
CHICHEH NIEH.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, January 10, 1917.

SIR,—In reply to your letter of December 27, I am directed to acknowledge the receipt of your cheque for Tls. 642 in payment of the purchase price for the piece of surplus land fronting the Nieh Chih Kuei Public School for Chinese.

In making this sale, it is of course understood and agreed, as set forth in the Council's letter of April 18, 1916, that any buildings which may in the future be erected on this land shall be subject to the Council's approval.

I am directed to state that, as a mark of appreciation of your generosity in co-operating in the provision of the site for the Nieh Chih Kuei Public School for Chinese, the Council wishes to make a donation to the funds of the Chin Woo Athletic Association of the amount of the purchase price for the land in question. I have, therefore, pleasure in enclosing the Council's cheque for Tls. 642.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

CHICHEH NIEH, Esq.

Shanghai, January 18, 1917.

DEAR SIR,—I beg to acknowledge the receipt of your letter of January 10, acknowledging receipt of cheque for Tls. 642 in payment of the purchase price for the piece of surplus land fronting the Nieh Chih Kuei Public School for Chinese, and enclosing a cheque for the same amount as a donation to the funds of the Chin Woo Athletic Association. I am asked to end you herewith a receipt and a letter thanking the Council for their very kind donation. Please accept also my personal thanks.

Yours very truly,
CHICHEH NIEH.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

(Enclosure.)

Shanghai, January 16, 1917.

SIR,—I am directed to acknowledge receipt of the Council's cheque for Tls. 642 as a donation to the funds of this Association. On behalf of the members I beg to express our sincere gratitude for the Council's very kind generosity towards an organization of the kind which is so much needed in this Settlement. I enclose herewith for the Council's reference two copies of the Bye-laws and Rules of this Association and may add that the object of the Association is to provide intellectual and physical amusement for the young Chinese of this Settlement.

I am, Sir, your obedient servant,
THE CHIN WOO ATHLETIC ASSOCIATION,
S. S. CHOW,
Honorary Secretary.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Various pieces of surplus land were acquired during the year in the course of road negotiations and particulars will be found under "Road Extensions and Widenings."

Here follows a complete schedule of properties owned or controlled by the Council.

Description.	Reference Number.	Cadastral Number.	Consular Number.	Area Mow.
CENTRAL OFFICES	T 1932	168 C	57, 59	24.276
VOLUNTEER CORPS				
Rifle Range	T 511	N	57 Pao., etc.	241.547
Riding School	T 1811, 654	3948 W	7553	3.611
Artillery Stables	L	W		
FIRE BRIGADE				
Soochow Road Sub-Station		C		1.206
Hongkew Station	T 2063	1153 N	8339	1.378
Victoria Station	T 1276	420 W	4205	1.510
Yangtzeppoo	T 2241	5027 E	3759	8.288
POLICE FORCE				
Louza Station	T 168	621 C	1722	7.000
Casual Ward	L 53	572 C	1305	
Hongkew Station	T 71	1068 N	1157	7.450
Hongkew Station Quarters	L 21	1071 N	1530	0.869
West Hongkew Station	T 1911	545 N	2345	3.894
North Szechuen Road Station	L 52	N	4 U.S. Pao.	
Sikh Gurdwara	T 1917	N	525 Pao.	2.323
Harbin Road Station	L 31	484 E	3649	2.617
Wayside Station	T 1450	2000 E	2261	2.913
Eastern Depôt	T 1553	1318 E	4238	15.500
Gaol	T 1438	1970 E	3932	26.805
Reformatory	L 62	E		
Yangtzeppoo Station	T 203	5037 E	973	3.005
Yinghsiangkong Police Post	L 44	E		
Bubbling Well Station	L 25	W		6.886
Carter Road Quarters	T 408	1180 W	1672	1.586
Gordon Road Station (Western Depôt)	T 1458	3840 W	5755	15.033
Dog Kennels	T 1458	4262 W	5755	0.641
Sinza Station	T 1276	420 W	4205	6.820
HEALTH OFFICE				
HOSPITALS				
Victoria Nursing Home	T 2155	979 N	2765	24.904
Isolation Hospital	T 1623	1150 N	4287	39.802
Mokanshan Sanatorium	T 1696			25.068
PUBLIC SWIMMING BATH	T 511, 654	N	57 Pao.	1.420
MARKETS				
Maloo	T 132	631 C	1305	4.032
Hongkew	T 1850	1070 N	1525, 1967	9.939
Elgin	T 749	534 N	3948	5.280
Purdon	T 2220	676 N	8648	1.609
Wayside	T 1438	1970 E	3932	0.845
East Hongkew	T 1292	845 E	2195	1.721
Yangtzeppoo	T 1925	2757 E	7222, 7554	0.833
Sungpan	T 2006	6858 E	2664	2.684
Sinza	T 1806	466 W	7552	2.665
Mohawk	T 1104	1620 W	5195	0.758
Wuchow Road	T 2153	371 E	8448	1.810
SLAUGHTER-HOUSE	T 227	1081 N	560, 564	4.667
CATTLE SHEDS	T 1623	1150 N	4287	5.710
HOUSE REFUSE DEPOT	T 1994	4432 W	2638, 3692, 5613, 7650/1	6.049
" "	T 2279	W	9150	12.056
CEMETERIES				
Shantung Road	T 24	251 C	74	9.091
Bubbling Well	T 1449	2580 W	2179	61.085
Pahsienjao	T 1714	Fr. Sett.	813	48.250
Pootung	T 1622		181	31.056
Soldiers				4.361
Plague	T 500	E	2843	3.389
LATRINES AND URINALS				
Buntongloong	T 1221	368A C	5754	0.131
Fokien Road	T 1749	4523 C	7361	0.063
Boone Road	T 466	420 N		0.044
Durpoe Road	T 312	814 N	649 U.S.	0.269
Haining Road	T 544	150 N	3328	0.064
" "		725 N		0.076
Kansuh Road	T 437A	120 N		0.017
North Chekiang Road	T 1085	245 N	4693	0.077
North Honan Road		676 N	1790	0.141
North Shanse Road	T 2065	568 N	8360	0.079
Thorne Road	T 1214	1153 N	4287	0.032
Broadway East	T 383	631 E	2093	0.209
Chaoufoong Road	T 2062	1212 E	8326	0.072
Dent Road	L	E		
Dixwell Road		483 E	4490	0.063
East Hanbury Road		258 E		0.252
East Seward Road	T 360	699 E	2062	0.200
East Yalu Road	T 1828	218 E	7585	0.028
Hwakee Road	T 320	574 E	2006	0.176
Jansen Road	T 2259	2733 E	9046	0.270
Kwenming Road		E		0.072
Lay Road	T 1712	5050 E	7176	0.155
Mukden Road	L 31	485 E	2318	0.078
Pingliang Road	T 2088	2769 E	8299	0.105
Rangoon Road	T 1615	4080 E	7039	0.050

Description.	Reference Number.	Cadastral Number.	Consular Number.	Area Mow.
LATRINES AND URINALS—cont.				
Thorburn Road	T 1230	3183 E	5864	0.164
Wetmore Road	L		2400	0.065
Wuchow Road	T 1731	437 E	7257	0.257
Avenue Road	T 644	547 W	3751	0.124
" "	T 2039	W	8203	0.069
Carter Road	T 1716	3023 W	7250	0.133
Mohawk Estate 2	T 537	W		0.038
" " 3	T 538	W		0.038
Moji Road	T 1745	4386 W	7291	0.067
Park Road	T 643, 753	392 W	3750	0.190
Sinza Road	T 683	599 W	3793	0.144
Taising Road	T 605	298 W	3531	0.056
PUBLIC WORKS DEPARTMENT				
TOWN HALL	T 132	631 C	1305	2.670
WAYSIDE PUBLIC WHARF	T 1836	2372 E	4507	15.706
DEPÔTS				
Soochow Road	L 53, 61	572 C	555	0.982
Shanse Road	T 1938	267 C	409	0.190
Thorne Road	T 1623	1153 N	4287	15.690
North Chekiang Road	T 544	150 N	3328	1.179
North Honan Road	T 919	691 N	4444	3.520
Lay Road	L 30	5160 E		8.070
Wuchow Road	T 2290	431 E	2294	6.579
Wayside	T 1438	1970 E	3932	0.876
Yangtsepoo Road	L	2372 E		
Burkill Road	L	W		
Sinza	T 2373	807 W	9349	11.767
Markham Road	T 96	4328 W	1190	1.531
" "	T 630	3522 W	1020	2.760
Jessfield Road	T 11	W		0.881
Soochow Creek	T 929	4931/2 W	4563	4.311
AVENUE ROAD QUARTERS	T 1820	442 W	7426	1.205
CARPENTER'S SHOP	L	C		
WORKSHOPS				
	T 1292	815/853 E	2195	4.320 2.231
DRAINAGE CREEKS				
Near Connaught Road	T 1133	3930 W	5435	0.253
Near Robison Road	T 1131	5456 W	5436	0.570
Near Siccawei Road	T 548	2601 W		0.119
" "	T 598	W		0.471
PINGCHIAO QUARRY	M 200			155.000
PARKS AND OPEN SPACES				
Bund Foreshore		C		
Soochow Creek Foreshore		C		
Public Garden		C		27.978
Reserve Garden		C		4.211
Chinese Garden	T 229	C		6.216
Quinsan Square	T 1138	898 N	2220	10.272
Hongkew Recreation Ground	T 1379, 1822	N	various Pao.	299.440
Studley Park	T 2315	2330 E	9245	5.169
Wayside Park	T 1507	3700 E	3136	36.608
Public Recreation Ground	L 18	1309 W	715	402.524
Jessfield Park	T 2130, 2301	W	Various	200.000
Brenan Piece	T 1309	W	5974	4.950
Warren Piece	T 2328	W	8416	6.395
NURSERIES				
Hungjao Road		W	6929	15.555
" "		W	6930	90.157
Siccawei Road	T 1184	W	3677	14.460
ELECTRICITY DEPARTMENT				
Offices	L 77	C		
Fearon Road Station	T 299, 342	1082 N	2058, 597 U.S.	4.100
Riverside Station	T 1441, 2372	6054 E	1499, 2196	96.084
Showroom	L 57	C		
" "	L 80	N		
Godown	L 78	E		
Depôt	L 74	E		
Sub-stations				
Chekiang Road	T 1927	472 C	7740	0.169
Foochow Road	T 2051	664 C	8290	0.228
Ningpo Road	T 1943	328 A	8290	0.195
Shanse Road	T 1938	267 C	409	0.261
Alabaster Road	T 1821	13 N	7572	0.040
North Honan Road Depôt				
included in	T 919	691 N		
West Hongkew Police Station				
included in	T 1911	545 N		
Woochang Road	T 2173	882 N	2098 U.S.	0.360
Tungchow Road	T 1292	853 E	2195	0.133
Ward Road	T 2157	2081 E	8673	0.527
Wayside Police Station				
included in	T 1450	2000 E		
Wayside Road	T	5690 E	8700	1.377
Yangtsepoo Road	L 84	6013 E		0.165

Description.	Reference Number.	Cadastral Number.	Consular Number.	Area Mow.
ELECTRICITY DEPARTMENT—cont.				
Sub-stations				
Bubbling Well Police Station				
Included in	L 25	W		
Bubbling Well Road	T 2136	2588 W	7163	0.346
Ferry Road	T 1933	3350 W	3093, 3798	0.604
Haiphong Road	T 2368	4490 W	9318	0.393
Kiaochow Road	T 2260	6135 W	9048	0.800
Macao Road	T 2118	5203 W	8530	0.795
Markham Road Depôt included in	T 630	W		
Medhurst Road	T 2229	3101 W	8521	0.837
Stonebridge Road	T 1982	693 W	7947	0.110
Tonquin Road	T 2061	4641 W	8325	0.574
Weihaiwei Road	T 2172	2307 W	8760	0.982
EDUCATIONAL DEPARTMENT				
Public School for Boys	T 511	N	57, 58 Pao.	27.089
Public School for Girls	T 1159	899 N	2007	10.874
" " " " Girls	T	W	6297	
Thomas Hanbury School for Boys	T 2072	N	867 Pao.	8.583
" " " " Girls	T 216	1045 N	1526	4.019
Public School for Chinese	T 839	503 N	8031	12.546
Ellis Kadoorie Public School for Chinese	T 1852	924 W	7555, 7617	9.506
Nieh Chih-kuei Public School for Chinese	T 2111	2332 E	8098	8.988
Polytechnic Public School for Chinese	T 2164	687 C	931	9.773
SURPLUS LAND				
Near Hongkew Recreation Ground	T 791	N	177 Pao.	3.235
" " " "	T 792	N	178 Pao.	1.150
" " " "	T 793	N	179 Pao.	0.390
" " " "	T 511	N	57 Pao.	14.127
" " " "	T 2076	N	201 Pao.	2.456
" " " "	T 2310	N	361 Pao.	0.946
North Shanse Road	T 2208	372 N	8767	0.089
Alcock Road	T 2343	1575 E	9288	0.031
Baikal Road	T 1517	3899 E	6816	1.896
" " " "	T 1517	3896 E	6847	0.365
Dalry Road	T 1468	2697 E	1312 U.S.	0.394
" " " "	T 1468	2698 E	1312 U.S.	2.027
Kinchow Road	T 2240	2242 E	8988	1.027
Kirin Road	T	3720 E		0.072
" " " "	T 1507	3722 E	3136	0.347
" " " "	T 1809	3723 E	6631	0.860
Kungping Road	T 2374	1416 E	9372	1.017
" " " "	T 2374	1417 E	9372	0.099
Pingliang Piece	T 2341	5420 E	9223	0.842
" " " "	T 2342	5417 E	9235	0.737
" " Road	T 2340	5425 E	9222	0.020
" " " "	T 2340	5427 E	9222	0.352
" " " "	T 2341	5430 E	9223	0.849
" " " "	T 2342	5435 E	9235	0.919
Rangoon Road	T 1434	4072 E	6474	1.067
Thorburn Road	T 1213	3286 E	1120 U.S.	0.718
Ward Road	T 1098	1940 E	212 G	0.102
Wayside Road	T 1245	3611 E	3901	0.160
" " " "	T 1251	3610 E	3089	1.374
" " " "	T 1507	3575 E	3136	3.181
Whashing Road	T 1799	2988 E	2405	0.484
" " " "	T 2221	3973 E	2306	1.117
" " " "	T 1799	4045 E	2306	0.080
" " " "	T 1799	2989 E	2405	0.049
Yochow Road	T 1553	1318 A E	4238	1.710
Avenue Road	T 742	1115 W	3119	0.082
" " " "	T 2280	114 W	2667	1.228
" " " "	T 2280	115 W	2667	0.168
Bubbling Well and Hart Roads	T 2154	2471 W	5868	0.868
Chungking Road	T 2191	1500 W	8776	0.241
Connaught Road	T 882	3556 W	4513	0.258
" " " "	T 1458	3661 W	5755	0.376
Gordon Road	T 1811	4334 W	7553	1.495
Great Western Road	T 1135	1768 W	5460	0.269
Jessfield Road	T 1244	W	5783	0.053
" " " "	T 1568		6986	0.333
Kiaochow Road	T 2367	6139 W	9224	0.243
Markham Road	T 1811	4335 W	7553	0.935
Medhurst Road	T 1621	3050 W	44 G	0.043
" " " "	T 1838	3104 W	7594	0.057
Moulmein Road	T 2242	2289 W	7346	0.168
Nanyang Road	T 1349	2837 W	6099	0.129
Shanhaikwan Road	T 1513	977 W	4559	1.168
Siccawei Road	T 1184	W	3677	0.051
Singapore Road	T 2307	W	8916	2.156
Sinza Road	T 1180	2701 W	3178	1.254
Tatung Road	T 1503	1122 W	6722	0.041
Tonquin Road	T 2061	4641 W	8325	0.418
Warren Road	T 2129	W	8144	0.188
West Soochow Road	T 1849	4724 W	3285	0.500
" " " "	T 2101	672 W	503	0.229
Wuting Road	T 2258	3580 W	8995	1.052
Yates Road	T 692	2155 W	2478	0.498
Yuyuen Road	T 2082	2610 W		1.711

ROAD EXTENSIONS AND WIDENINGS.

The need of road facilities adequate to the requirements of this growing Community has continued during the year to engage careful attention. The chief difficulty lies in the fact that in the central portions of the Settlement, the volume of traffic is ever increasing, but widening operations on a really radical scale are out of the question, owing to existing buildings of a massive and permanent nature. As time goes on, however, and the economic and other advantages of mechanical transport are more generally realized, it becomes increasingly apparent that apart from ample means of access to each and every part of the Settlement, provision of additional main thoroughfares is requisite to facilitate more ready communication with outlying districts. At present the only such thoroughfare which traverses the Settlement from east to west consists of the route, Broadway, Bund, Nanking, and Bubbling Well Road, and if this route were to be blocked, the passage of traffic through the Settlement would become analogous to the percolation of water through sand. A certain amount of vehicular traffic makes its way along the Peking Road, but it is almost entirely confined to the Sinza District, while owing to the fact that the Race Course interrupts the parallel roads south of Nanking Road, all westbound traffic from the Central District tends to converge upon the Bubbling Well Road. This state of affairs is eminently unsatisfactory and steps are being taken, where possible, to connect up and widen suitable roads to constitute alternative trunk thoroughfares, and by facilitating direct communication between the western, northern and eastern districts, to relieve to some extent the pressure of traffic on the present main route.

Steady progress has been made during the year in acquiring land for new roads and extensions of existing roads on the lines laid down on the Official Plans of Road Extensions and Widenings. The effect of this work is not however readily apparent in any one year, since in order to obviate heavy expenditure on the reinstatement of buildings, it is considered inexpedient, except in special cases, to exercise the compulsory powers of expropriation conferred on the Council by the Land Regulations. Scheduled widenings are therefore, as a general rule, dealt with piecemeal, as rebuilding operations are undertaken, and the result viewed over a series of years, shows that the chief public streets of today are wider and better in every way than those obtaining a few years ago. In this connexion, the plan inset into this report, enables realisation, in a graphic manner, of the work done in providing new roads for the Settlement during the past twenty years.

The special attention which in recent years has been given to the road system of the Eastern District, has resulted during the past year in the purchase of 240.845 mow of land for these roads. The land thus acquired since 1910, aggregates some 550 mow, an area which exceeds that of the Public Recreation Ground. The network of roads in the Eastern District is now practically complete, so that comparatively little expenditure under this head will, in future, be requisite. It should not, however, be assumed that the general expenditure for purposes of public works will in future years be lessened, for there are many improvements to be put in hand, which have long been deferred for lack of funds, and even were expenditure on new roads to become less, it is increasingly evident that the need for more parks and playing spaces grows each year more insistent.

The plans showing new roads and modifications of existing roads in the five districts of the Settlement were issued on February 1 *vide* Notification No. 2422. Among the more important improvements for which provision was made were the following :—

CENTRAL DISTRICT.

Lloyd Road to be diminished in width to 40 feet.

Nanking Road.—A modified line north of Lot 629 and a 47-foot radius at the north-east corner of this lot.

EASTERN DISTRICT.

Batavia Road to be re-named Pingliang Road.

Broadway East and Muirhead Road.—A 50-foot radius in lieu of a 20-foot splay.

Chemulpo Road, south of Yangtsepoo Road, to be deviated to the eastern boundary of Lot 2530.

Lay Road, south of Yangtsepoo Road, to be deviated to the Conservancy Normal Line.

Pingyang Road between Pingliang and Yangtsepoo Roads to be deviated to the west.

Quetta Road Market to be known as Sungpan Road Market.

Seoul Road to be extended south of Yangtsepoo Road to the Conservancy Normal Line.

Thorburn and Baikal Roads.—50-foot radii in lieu of 20-foot splays at the north-west and south-east corners of these roads.

WESTERN DISTRICT.

Avenue Edward VII to be of a uniform width of 90 feet.

Sicawei Road to be of a width of 60 feet between Great Western and Bubbling Well Roads.

Yates Road to be 40 feet in width between Weihaiwei and Bubbling Well Roads.

The amount expended in acquiring land and in road construction during the year has been as follows:—

Land for widenings	Tls. 71,223.86
Land for extensions	„ 114,900.24
Land from Municipal Properties	„ 4,696.83
Construction work	„ 124,299.65
	Tls. 315,120.58

Particulars are contained in the usual summary appended :—

Road.	Land.	Construction.	Road.	Land.	Construction.
Central District.—	Tls.	Tls.	Eastern District—cont.	Tls.	Tls.
Avenue Edward VII		484.41	Meichow		2,660.53
Canton		214.94	Muirhead	217.28	672.00
Chekkiang	167.18	346.31	Ningkuo	357.66	5,052.07
Fokien	6,177.08	646.18	Ningwu	2,059.60	
Foochow	2,743.93		Paoting	1,148.00	29.98
Hankow		158.15	Pingliang	2,470.83	16,680.66
Honan	3,083.10	738.96	Pingyang	2,345.39	49.20
Hoopeh	2,631.90	293.39	Poyang	550.60	
Kiangse		487.69	Seoul		139.73
Kiukiang	633.80		Singkeipang		52.72
Kwangse	165.00		Sungpan	76.02	120.49
Nanking	2,761.35	1,178.74	Tanyang	1,067.65	459.97
Pakhoi		174.29	Tengyueh	4,836.69	4,166.83
Shanse	203.21		Thorburn	593.50	25.20
Soochow	273.92		Tinghai	1,370.10	33.00
Szechuen	7,448.45	731.06	Tsitsihar	2,963.41	84.00
Thibet	22,440.26	3,871.51	Urga		132.50
Tientsin	165.00		Ward		1,801.58
Yunnan		28.92	Wetmore	567.27	1,595.68
Northern District.—			Whashing	591.68	1,731.09
Boone		101.69	Wuchow	35.90	1,939.97
Boundary		225.49	Yungchow	2,125.37	4,539.49
Chapoo	3,180.86	38.65	Yangtzepoo		3,054.04
Fearon		47.67	Yulin	937.25	854.05
Fusan		498.52	Western District :—		
Haining		72.00	Avenue	2,557.94	816.23
North Fokien	15,063.18	3,966.95	Avenue Edward VII	913.60	413.60
North Honan	2,326.87	537.33	Bubbling Well	1,982.52	911.33
North Kiangse	212.18		Cemetery		99.36
North Soochow		1,326.99	Chengtu		67.84
North Szechuen	27,689.95	8,056.05	Chungking		35.51
Purdon		203.68	Connaught		838.27
Range		603.53	Ferry	46.00	3,092.81
Tiendong	922.68	274.52	Gordon	110.00	196.00
Tseepoo	2,703.75	556.31	Great Western	972.97	2,743.84
Wonglo		155.03	Haiphong	133.00	
Woosung		618.74	Hardoon	4,274.17	44.90
Eastern District.—			Hart	959.43	525.96
Alcock	2,262.73	26.60	Hungjao		6,874.55
Baikai		883.42	Jessfield		72.20
Chaoufoong		969.16	Kiaochow		56.07
Chemulpo	3,158.77	409.45	Lungmên		495.13
Chining	1,234.42	628.76	Manila	4,682.93	681.61
Chusan	1,192.71		Markham		4,436.84
Dent	40.18	56.03	Medhurst		642.48
Dixwell	339.54		Mokanshan	33.21	69.13
East Broadway		973.23	Moulmein	9,771.24	448.74
East Yalu		99.73	Park	177.09	
East Yuhang	952.51	4,447.27	Seymour	54.92	
Funing	946.00	81.08	Shanhaiikwan		129.92
Haichow	2,344.80		Sinza		139.72
Kueiyang	1,865.99	40.80	Tonquin		97.09
Kungping	941.18		Weihaiwei	54.92	
Kwangchow		2,740.99	West Soochow		36.92
Kwanghsin	12,380.74	8,394.06	Wuting	695.18	30.80
Kwenming	2,595.43	48.00	Yates	287.50	1,127.10
Lay	849.69	4,946.14	Yuyuen		85.87
Liangchow	1,484.10		Miscellaneous	47.84	1,764.99
Liaoyang		286.55	Land transferred from		
Liping		46.83	Municipal Properties	4,696.83	
Macgregor		234.76			
Madura	473.90			Tls. 190,820.93	Tls. 124,299.65

Here follow details of the extensions and widenings settled during 1917 :—

CENTRAL DISTRICT.**NANKING AND KIANGSE ROADS.—**

In August 1916 a petition, which was published in the Report for last year, p. 29B, was received from 25 ratepayers, urging that steps be taken forthwith for the widening of the Nanking Road ex Lot 83. It is the usual practice with respect to scheduled road improvements, to defer compulsory surrender until rebuilding is undertaken, thereby obviating claims for reinstatement; in view, however, of the undoubted popular wish to effect without delay the projected improvement of the narrow part of the Nanking Road, and thereby to some extent to ameliorate traffic conditions in the heart of the Settlement, it was decided to call for the requisite surrender forthwith.

Negotiations accordingly proceeded with Mr. S. A. Hardoon, and later with Messrs. Platt, Macleod & Wilson as his representatives, as a result of which the buildings on the lot were demolished and surrender of the area scheduled for road purposes was arranged in return for a payment of Tls. 114,027 made up as follows :—

<i>Land</i> .—Mow 0.502 at Tls. 87,028.90 per mow	Tls. 43,688
Plus 10% for compulsory surrender	4,368
	48,056
<i>Less</i> 1/6 for betterment	8,009
	40,047
<i>Cost of Reinstatement</i> to the new road line and modification of buildings in rear, with cost of repair work already executed, Tls. 45,890 commuted to an immediate payment of	44,284
<i>Loss of Rental</i> , actual loss as agreed between the Public Works Department and Messrs. J. Ambrose and A. E. Algar representing Mr. Hardoon	29,696
	Tls. 114,027

With reference to the arrangement with Messrs. Hanson, McNeill, Jones and Wright contained in the Report for 1912, pp. 38 and 39B, arrangements have now been made for widening the Nanking Road on the east of this property (Lot 375), and accordingly notice has been given that the projecting verandah should be removed before completion of the new building.

NANKING AND CHEKIANG ROADS.—

The application of Messrs. Lester, Johnson and Morriss was approved to effect a modification in the splay at the corner of Lot 628 under a give and take arrangement by which the firm incorporated in their building area Mow 0.001 of roadland in return for the cession of Mow 0.003 formerly within the building line of this lot. The other three corners of this lot were surrendered later in the year, on the basis of the assessed value, Tls. 45,000 per mow, plus ten per cent for compulsory sale, or Tls. 495 for the aggregate area of Mow 0.01.

NANKING AND THIBET ROADS.—

The scheduled area of Lot 617 has been surrendered by Messrs. Davies and Brooke at the assessed value Tls. 24,000 per mow, plus 10 per cent for compulsory surrender, and less one-third for betterment or Tls. 8,659 for Mow 0.492, with compensation for buildings compulsorily removed Tls. 1,460, and Tls. 2,667 for reinstatement of the existing buildings to the new road line.

Further improvements arranged in this District are tabulated hereunder :—

<i>Road.</i>	<i>Agent or Owner.</i>	<i>Cad. No.</i>	<i>Area Mow.</i>	<i>Compensation.</i>
Fokien	Credit Foncier d'Extreme Orient	352	0.019	Tls. 397†
Foochow and Chekiang	E. D. Sassoon & Co.	535	0.003	92†
" " Honan	Davies & Brooke	276	0.147	4,635‡
Hongkong	Algar & Co., Ltd.	17B	0.037	814‡
Hoopeh and Fokien	Probst, Hanbury & Co., Ltd.	513	0.147	8,408†
Kiukiang	" "	519	0.023	632†
Nanking and Shanse	Platt, Macleod and Wilson	249,385	0.007	404†
Ningpo	W. B. Kennett	W of 463	0.024	299
Peking and Honan	E. D. Sassoon & Co.	128	0.045	1,188†
Soochow and Thibet	Shanghai Gas Co., Ltd.	573A	0.039	546*
Szechuen	North China Insurance Co., Ltd.	41C	0.010	476‡
Thibet	Davies & Brooke	S of 1339	0.226	1,325
"	Chu Pao San	694	0.494	4,347
"	Hanson, McNeill, Jones & Wright	694A	0.709	6,240‡

* At the assessed value.

† At the assessed value plus ten per cent. for compulsory surrender.

‡ At the assessed value plus ten per cent. for compulsory surrender and less one-third for betterment.

NORTHERN DISTRICT.**CHAPOO ROAD.—**

For the widening of this road to 40 feet ex Lot 849, Messrs. E. D. Sassoon & Co. surrendered an area of Mow 0.251 for Tls. 3,179, being at the assessed value Tls. 15,000 per mow, plus ten per cent. for compulsory surrender, and less one-third for betterment in respect of the area required to make the road 30 feet in width.

CUNNINGHAM AND HAINING ROADS.—

The corner of Lot 542 was surrendered by Messrs. Hanson, McNeill, Jones and Wright at the assessed value of the property, Tls. 8,000 per mow or Tls. 24 for Mow 0.003.

KAIFENG AND KANSUH ROADS.—

A piece of unregistered land at the corner of these roads has been purchased from Messrs. Brandt and Rodgers at the assessed value of the adjoining property, Tls. 6,500 per mow, plus ten per cent for compulsory surrender or Tls. 2,624 for Mow 0.367 conditional upon immediate registration of the remainder of the property or an undertaking to pay the usual Municipal taxes.

NORTH FOKIEN ROAD.—

The claim of Messrs. White-Cooper and Master was accepted for widening this road ex Lots 212, 213, 215, 217, 300, 301 and 322 at the assessed value, plus ten per cent. for compulsory surrender. The total sum paid was Tls. 15,061 and the aggregate area surrendered was Mow 0.758.

NORTH HONAN AND TSEPOO ROADS.—

Negotiations have been concluded with Messrs. Lester, Johnson and Morriss for the surrender of part of the scheduled area of Lot 633 on the following terms:—

North Honan Road, Mow 0.151 at Tls. 14,000 per mow	Tls. 2,114	
Plus ten per cent	211	
		2,325
Tsepoos Road, Mow 0.263 at Tls. 14,000 per mow	3,682	
Plus ten per cent	368	
		4,050
	1,350	
		2,700
Less—one third for betterment		
	Total Tls.	5,025

NORTH KIANGSE ROAD.—

The two westernmost corners of Lot 604 and the northeast corner of Lot 603 were surrendered by Messrs. E. D. Sassoon and Co., an area of Mow 0.011 for Tls. 210.

NORTH SZECHUEN ROAD.—

The widening of this important thoroughfare to its scheduled width of 60 feet has been carried out in the case of the undernoted lots, the terms of compensation in each case including ten per cent for compulsory surrender:—

Lot No.	Agent or Owner.	Area, Mow.	Compensation.
655	E. D. Sassoon & Co.	0.226	Tls. 3,480
657 & 680	Rev. V. Mouly	0.450	8,662
B.C. 746 Pao. Credit Foncier d'Extreme Orient		0.103	515
J.C. 198 Pao. Japanese Residents' Corporation		0.213	1,000

TIENDONG ROAD.—

After protracted correspondence with Messrs. Probst, Hanbury and Co., Ltd., Lot 833, part of which has been leased for the past 20 years at \$70 per annum, was purchased for £175. The lot which measures Mow 0.049 has now been incorporated in the road.

EASTERN DISTRICT.

The following purchases of Chinese-owned land have been made in the Eastern District, and plans and deeds of surrender therefor have been forwarded as usual through the Senior Consul to the Chinese Land Office for record :—

ALCOCK ROAD.—

From Tongshan to Yochow Road, Mow 6.226, Tls. 787.73.

CHEMULPO ROAD.—

From Yangtsepoo Road to the Settlement Boundary, Mow 27.260, Tls. 2,934.10.

CHINING ROAD.—

From Lay to Thorburn Road, Mow 10.747, Tls. 1,133.93.

CHUSAN ROAD.—

From Kwenming to Yochow Road, Mow 5.797, Tls. 1,133.73.

EAST YUHANG ROAD.—

From Paoting to Chusan Road, Mow 5.747, Tls. 893.78.

FUNING ROAD.—

From Lay to Chemulpo Road, Mow 5.800, Tls. 902.

HAICHOW ROAD.—

From Kueiyang to Ningwu Road, Mow 14.330, Tls. 2,228.15.

KWEIYANG ROAD.—

From Yangtsepoo to Hochien Road, Mow 13.835, Tls. 1,766.82.

KWENMING ROAD.—

From Yangtsepoo Creek to Kinchow Road, Mow 28.879, Tls. 2,391.04.

LIANGCHOW ROAD.—

From Liping to Kueiyang Road, Mow 9.060, Tls. 1,408.80.

MADURA ROAD.—

From Wayside Road to Settlement Boundary, Mow 7.090, Tls. 393.45.

NINGWU ROAD.—

From Yangtsepoo to Hochien Road, Mow 15.651, Tls. 1,936.35.

PAOTING ROAD.—

From Baikai to Kwenming Road, Mow 4.350, Tls. 1,111.25.

PINGLIANG ROAD.—

From Whashing to Lay Road, Mow 14.360, Tls. 1,587.50.

PINGYANG ROAD.—

From Yangtsepoo Road to the Settlement Boundary, Mow 18.615, Tls. 2,192.32.

POYANG ROAD.—

From Tinghai to Kueiyang Road, Mow 4.710, Tls. 497.05.

TANYANG ROAD.—

From Lay to Chemulpo Road, Mow 6.530, Tls. 1,015.65.

THORBURN ROAD.—

From Ward Road to the Settlement Boundary, Mow 5.100, Tls. 538.

TINGHAI ROAD.—

From Yangtsepoo to Pingliang Road, Mow 10.810, Tls. 1,286.05.

TSITSIHAR ROAD.—

From Yangtsepoo to Kwenming Road, Mow 26.256, Tls. 2,757.13.

WETMORE ROAD.—

From Yangtsepoo to Yangchow Road, Mow 3.335, Tls. 518.42.

WHASHING ROAD.—

From Ward Road to the Settlement Boundary, Mow 5.200, Tls. 548.50.

YANGCHOW ROAD.—

From Thorburn to Pingliang Road, Mow 13.333, Tls. 1,750.45.

YULIN ROAD.—

From Whashing to Dalny Road, Mow 5.517, Tls. 858.13.

ALCOCK ROAD AND SURPLUS LAND.—

An amended claim by Messrs. Moorhead and Halse was accepted for the surrender from Lot 1576 of land as follows :—

For the Alcock Road Mow 0.713 at Tls. 1,800 per mow	Tls. 1,283.40
Plus 10 per cent for compulsory surrender	128.30
	Tls. 1,411.70
Surplus Land, Mow 0.031 at Tls. 1,800 per mow	55.80
	Tls. 1,467.50

Correspondence has taken place on the subject of the scheduled line of this road as follows :—

Shanghai, February 12, 1917.

DEAR SIR,—I am instructed by Mr. Ling Ping-sung (凌炳生) owner of the piece of unregistered land situate in the 15th Du 23rd Pao (Eastern District) and covered by Fangtan No. 47 to address you on the subject of the proposed alteration of the Alcock Road.

My client states that as originally marked out the Alcock Road runs in a straight line by the side of his said land and that it is now proposed to alter it so that it curves at a point near his said land and traverses the same. I am to inform you that my client objects to such alteration because he has a number of family graves on the land required for that purpose and to request you to make the Alcock Road as originally marked out.

Yours truly,
J. O. ANDERSON.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, February 17, 1917.

SIR,—I am directed to acknowledge the receipt of your letter of February 12, on the subject of a piece of unregistered land at the corner of Alcock and East Yalu Roads, and in reply I am directed to state that in the year 1909, this corner was scheduled to its present radius, as that originally scheduled in 1903 proved unsuitable to traffic requirements.

For three months following the scheduling of the new road, opportunity was afforded in accordance with the provisions of the Land Regulations for protest against the new line of road, but since protest was not made, the Council is unable, at the present time, to sanction any alteration.

I am directed to add that as soon as the surrender of the scheduled area is effected due compensation will be made.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

J. O. ANDERSON, Esq.

BROADWAY EAST.—

The claim of the Shanghai Land Investment Co., Ltd., has been accepted for the surrender of the area of Lots 51 and 54 required for the widening of this road, a sum of Tls. 3,828 for an area of Mow 0.290.

CHEMULPO ROAD.—

Correspondence with Messrs. Lavers and Clark, containing the terms upon which a deviation has been permitted in the scheduled line of this road between Yangtzepoo Road and the River.

Shanghai, October 13, 1916.

DEAR SIR,—We are negotiating the sale of German Lots 230 and 359, Cadastral Lot 2530, Eastern District, but the scheduled road (Chemulpo Road) dividing the property into two lots, stands in the way of the sale. The property would be developed as a wharf, and it will readily be understood that this would be impossible with a public road dividing the lot in two.

The sale could be completed if the road could be deviated so as to form the eastern boundary of the property, and we are authorized to state that if the road is deviated to the eastern boundary, the prospective buyer would make a free surrender of the 40-foot strip required to form the road from Yangtzepoo Road to the Normal Line. This strip, we understand, would measure about 4 mow at the assessed value of Tls. 3,000 per mow, representing an amount of about Tls. 12,000.

We understand that the Whangpoo Wharf property had a road scheduled through the centre originally, which the Council consented to deviate.

We shall be obliged if you can let us have a reply as soon as possible.

Yours faithfully,
LAVERS & CLARK.

C. H. GODFREY, Esq.
Engineer and Surveyor.

Council Room, Shanghai, October 20, 1916.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of October 13 on the subject of the Chemulpo Road and in reply thereto to state that the Council approves the deviation in accordance with the plan forwarded herewith, upon the conditions set forth in your letter. You will observe that the plan shows the road straight from the Yangtzepoo Road to the river which would leave the owner with a small strip of land on the east side of the road.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

MESSRS. LAVERS & CLARK.

Shanghai, October 30, 1916.

DEAR SIR,—Referring to your letter of October 20, the purchase of Cadastral Lot 2530, Eastern District, by the Osaka Shosen Kaisha has now been completed, and the new owners are prepared to sign the Deeds for Free Surrender at your convenience.

We are, Dear Sir, yours faithfully,
LAVERS & CLARK.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

DIXWELL ROAD.—

The whole of Lot 64 was scheduled for inclusion in this road and was subject to compulsory free surrender. The sum of Tls. 2,560 was however paid to Messrs. Denham and Rose for removal of a godown standing on the property.

Lot 68, measuring Mow 0.340, was also required for extension of this road and, under arrangement with Messrs. Davies and Brooke, it was surrendered at the proclamation-rate of Tls. 250 per mow with \$50 extra for each of the seven Chinese houses standing on the property.

JANSEN ROAD.—

The following correspondence relates to a deviation in the line of this road, which was eventually arranged by consent of all concerned.

Shanghai, July 10, 1916.

DEAR SIR,—I have been requested by the New Engineering and Shipbuilding Works, Ltd., to approach you on their behalf on the following matter :—

The above Company as you are doubtless aware owns and occupies Cadastral Lots Nos. 2426 and 2445-6 and in addition also occupies the foreshore of Cadastral Lot No. 2435, all of which lots are situate on the Yangtzepoo Road in the Eastern District of Shanghai.

The Company has quite recently arranged to purchase from The Société des Missions Etrangères the foreshore of Cadastral Lot No. 2435, and they wish to have their property one continuous line free from all incumbrances from the Western Boundary of Cadastral Lot No. 2426 to the Eastern Boundary of Cadastral Lot No. 2446.

This, however, cannot at present be obtained by reason of the Jansen Road being constructed between Cadastral Lots Nos. 2426 and 2435 from the Yangtzepoo Road to the river at the river end of which is a public landing stage, and the proposal I am requested to lay before you is as follows :—

(a) That the present Jansen Road should terminate at about 20 feet south of the present southern boundary of Cadastral Lot No. 2435, and from that point to the river, that section of the Jansen Road should be incorporated in and form part of the New Engineering Co.'s premises.

(b) That as the proposal to deal with the Jansen Road would remove a public landing stage and the approach to same, the Company would surrender a strip of land on the eastern boundary of Cadastral Lot No. 2446 thirty feet in width from the Yangtzepoo Road to the river for the purpose of a new public road.

(c) That the Company will at its own cost make up the proposed new road its entire length, bund the river end of the road, and in addition supply and erect a wood landing stage similar in all respects to the one now in use at the end of the Jansen Road, the whole of the work necessary for the construction of the proposed new road, landing stage, etc., to be completed to your satisfaction.

This proposal if adopted would, in my opinion, in no way prejudice the general public, the Jansen Road being but little used except by the Company's employees, and by those going to and coming from the Russian mail steamers, and as those steamers lie lower down the river than the Jansen Road the proposed new landing stage, would be just as convenient for them, nor would it deprive the Laou Kung Mow of its access to that road and in turn to the Yangtzepoo Road.

From a fire point of view it seems to me the proposal has much to recommend it, for whereas access to the Ewo Cotton Mill Co.'s premises is at present from the Yangtzepoo Road only, the advantage of having a public road the whole length of the western boundary of that Company's lot is quite manifest, as by it the Brigade and its appliances, given access to that Company's property from the proposed new road, could the more easily and quickly deal with a fire, and I have no doubt that the Ewo Mill Co. would welcome such a road.

I may mention that the New Engineering Co. has decided to construct a new slip for the accommodation of small coasting vessels and other small craft, and the site selected was Cadastral Lot No. 2446 and as near to the Ewo Cotton Company's premises as it could be constructed, the work on which it is proposed to take in hand at a very early date.

It is therefore necessary that the New Engineering Co. should know as early as possible the views of the Council in regard to this proposal, as in the event of its acceptance the site of the new slip would be west of the proposed new road instead of in the position originally decided on, and the new site needs clearing before work could be commenced.

I shall therefore be much obliged if you will give this proposal your best attention and consideration and lay it before the Council at the earliest date possible.

I am, Dear Sir, yours faithfully,
J. AMBROSE.

CHAS. H. GODFREY, Esq.,
Engineer and Surveyor.

Council Room, Shanghai, July 19, 1916.

SIR,—I am directed to acknowledge the receipt of your letter of July 10 to the Municipal Engineer on the subject of the Jansen Road.

In reply thereto I am directed to state, with regret, that in view of the probable future development of the neighbourhood the inclusion, as suggested, of part of the present roadway and landing stage in the premises of the New Engineering and Shipbuilding Works, Ltd., is considered to be prejudicial to the public interest and therefore the Council is not disposed to entertain your clients' proposals in this sense.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

J. AMBROSE, Esq.

Shanghai, July 31, 1916.

DEAR SIR,—I have to acknowledge receipt of your letter of the 19th instant on the subject of the Jansen Road and from it I note the Council is not disposed to entertain the proposals of my clients for the reason that in view of the probable future development of the neighbourhood, the inclusion of part of the above road into the premises of the New Engineering and Shipbuilding Works, Ltd., is considered to be prejudicial to the public interest.

In reply, I fear the above decision is due to my not having dealt more fully with the question of public interests in my letter of the 10th instant, which I now regret, but it seemed to me so clear that public interests would not be prejudiced. I did not deal with that question to any extent and the only private interest which in my opinion would or might be affected by the proposal was that of the Laou Kung Mow Mill.

I shall, however, endeavour to convince the Council that instead of the proposed surrender of a portion of the Jansen Road and the removal of the landing stage to the proposed new site being prejudicial to public interests, it will be a benefit to those interests, or at least, that they will not suffer by the change.

In mine of the 10th instant I stated that the Jansen Road was but little used except by the employees of my clients and by those going to or coming from the Russian mail steamers.

I should perhaps have inserted the word "regularly," as there are at odd times steamers moored in the river, the crews from which use the Jansen Road landing stage, but the Russian mail steamers are, I believe, the only boats which regularly avail themselves of that stage from Wednesday to Friday only, and as they moor approximately opposite to Cadastral Lot No. 2446 it would be just as convenient for them to use the proposed new landing stage which would be only some 650 feet east of the Jansen Road, and with regard to the Company's employees, if they live on this side of the river they would still have the use of the road going to or coming from their work, whilst if they came across the river they would have no use for the road but would land on the Company's premises.

Further, with regard to public interests in connexion with the Jansen Road, which it is intended should eventually be extended north of the Yangtzepoo Road, a substantially built foreign house facing the Yangtzepoo Road is erected on Cadastral Lot No. 2789, which house must be entirely demolished before the extension can take place, so that for many years access to the country in the rear by that road will not be obtained.

On the other hand, if the proposals of my clients are adopted, the new road from the river would debouch on the Yangtzepoo Road not more than 200 feet west of the Thorburn Road which is already constructed between the Yangtzepoo and Ward Roads, and the Thorburn Road having a large number of houses fronting or with access to them from that road, the residents would immediately reap the benefits (if any) of the proposed new landing stage.

It therefore seems to me that the only objection to the proposal from the point of view of "public interests" is, that the landing stage between the Chinwangtao and Whashing Roads would not be so evenly spaced between those roads as at present, but as I have endeavoured to show that it will be very many years before the Jansen Road can be extended north, that objection does not appear to me to be an important one when viewed from the point of the public using the Jansen Road landing stage to obtain access to the country north of the Yangtzepoo Road.

I would also like to draw the Council's attention to the uses made of the Company's land and particularly that on the west of the Jansen Road on which is constructed a dock for repairs to steamers, in the docking and un-docking of which there is unavoidably bound to be a very considerable interference with and obstruction to the landing stage, and this quite apart from the risk to those using that stage from ropes, etc., in connexion with those vessels, and which risk and interference would be eliminated by the removal of the stage to the site proposed.

It is, of course, obvious to the Council that the acceptance of my clients' proposals would be likely to result in a more economical working of their business which is a matter of great importance to all those interested in the Company, and that such economy would tend to raise the rateable value of the property and so increase the revenue at no cost to the Ratepayers and I would therefore ask you to be good enough to again bring this question before the Council with a view to a reconsideration of their decision conveyed in your letter under reply.

I am, Dear Sir, yours faithfully,
J. AMBROSE.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, August 8, 1916.

SIR,—With reference to your letter of July 31, on the subject of the Jansen Road, I am directed to inform you that the re-consideration which you request cannot conveniently take place until after the conclusion of the Council's recess on September 13, and from our conversation of this morning I have understood that no immediate inconvenience will result from deferring reply to your letter until that time.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

J. AMBROSE, Esq.

Council Room, Shanghai, October 13, 1916.

SIR,—With reference to your letters of July 10 and 31 and to subsequent negotiation on the subject of the Jansen Road, I am directed to state that upon reconsideration of this matter the Council raises no objection to the transfer of the road and landing stage to the east side of Lot 2446 on the following terms :—

(1) that the present Jansen Road south of Lot 2435 and one-half of the remainder of the road 15 feet wide, as far as the Yangtzepoo Road, may be included within the property of the Company.

(2) that the surrender of land for the new road from Lot 2446 shall be 40 feet in width with suitably rounded corners, shall extend from Yangtzepoo Road to the Conservancy Normal Line, and shall include all water frontage rights in respect of the strip.

(3) that the Company shall defray the cost of making and metalling the new 40-foot road, of bunding the end of it, of laying a sewer therein and of constructing at the River a reinforced concrete landing stage of the same width as the road.

(4) that the Company shall obtain the approval of the Harbourmaster to the removal of the landing stage as proposed, and that failing this approval none of the terms above described shall have effect; and that the Company shall indemnify the Council against all claims arising from any of the above arrangements.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

J. AMBROSE, Esq.

Shanghai, October 18, 1916.

DEAR SIR,—I beg to acknowledge receipt of your letter of the 13th instant, embodying the terms and conditions under which the Council is prepared to agree to the closure of the Jansen Road and the removal of the landing stage to same, and in place of such closure and removal, the construction of a new road 40 feet in width on the east of Cadastral Lot No. 2446 from the Yangtzepoo Road to river.

In reply to same I beg to enclose :—

1. Letter from the Harbour Master agreeing to the removal of the aforesaid landing stage—and—
2. Draft of an Agreement between the Council and the New Engineering and Shipbuilding Works Limited re the above.

The latter you will see agree to all the terms and conditions contained in your letter under reply except that portion of Condition 4 which calls for the Company agreeing to indemnify the Council against all claims arising from the Council's consent to my clients' proposals, the Directors being of opinion,—even though there is not the remotest reason for assuming that they may ever incur such a liability,—it is of so broad a character, they do not feel justified in agreeing to same being embodied in the Agreement.

I am, Dear Sir, yours faithfully,
J. AMBROSE.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

(Enclosure.)

Shanghai, October 18, 1916.

DEAR SIRS,—Replying to your application of date, stating that under certain conditions the Municipal Council agree to the proposal to shift the Jansen Road landing-stage to the extreme eastern end of the New Engineering and Shipbuilding property (Lot 2446), formerly known as the Vulcan Iron Works, adjoining the Ewo Cotton Mill, as shown on the plan accompanying your letter, you are hereby informed that there is no objection on the part of this office to the execution of this work.

I am, Dear Sirs, yours faithfully,
WM. CARLSON,
Harbour Master.

THE NEW ENGINEERING & SHIPBUILDING WORKS, LD.

Council Room, Shanghai, October 23, 1916.

SIR,—In reply to your letter of October 18 on the subject of the removal of the Jansen Road and Landing Stage, I am directed to state that the following amended conditions will be satisfactory to the Council as those upon which the deviation of the road will be sanctioned :—

1.—The Company shall surrender to the Council for the purposes of a new road a strip of land forty feet in width along the Eastern boundary of B.C. Lot 5442 being Cadastral Lot 2446 extending from the Conservancy Normal Line on the south to the Yangtzepoo Road on the north with the north-western corner of such strip rounded as shown in the Plan hereto annexed and such surrender shall include all water frontage rights in respect of such strip.

2.—The Company shall pay the cost of carrying out the following work to the satisfaction of the Municipal Engineer (a) making and metalling the said new road ; (b) laying a sewer therein ; and (c) bunding the end of such road and constructing thereat a reinforced concrete landing stage of the same width as the road.

3.—The Council shall permit inclusion by the Company in its property of the whole of the Jansen Road lying to the south of B.C. Lot 2070 known as Cadastral Lot 2435 and in addition thereto a strip of land fifteen feet in width being the western half of the said Jansen Road from the south-west corner of the last mentioned lot to the Yangtzepoo Road.

4.—The Company shall indemnify the Council against all claims arising from this arrangement which may be made by the owners, lessees or occupiers of Lots 2435 and 2460, and obtain the sanction thereto of these parties to this arrangement.

5.—Notice of the proposed alteration will be published in the Municipal Gazette, and if adequate reason against the change is adduced within ten days, thereafter, the terms of this arrangement shall be considered null and void.

I am, Sir, your obedient servant,

J. B. MACKINNON,

Acting Secretary.

J. AMBROSE, Esq.

Shanghai, October 31, 1916.

DEAR SIR,—Referring to your letter of October 23, and my subsequent interview with you, I am requested by the Directors of the New Engineering and Shipbuilding Works, Ltd., to say they will accept and agree to conditions Nos. 1/3 contained in your letter under reply.

With regard to condition No. 4 I beg to enclose :—

1. Copy of letter from Messrs. Jardine, Matheson & Co., Ltd., as General Managers of the Ewo Cotton Spinning & Weaving Co., Ltd., giving their consent to the proposal.

2. Copy of letter from the Rev. Père F. Sallou of the Procure des Missions Etrangères stating that he is agreeable to the proposed change, but that he must first have the approval of Messrs. Ilbert & Co. and the consent of his head office before he can give his formal consent to it.

It would therefore appear that if the consent of Messrs. Ilbert & Co. to the proposed change is obtained, there would be no necessity for the Council being indemnified by my clients against any claims arising from the arrangement.

With regard to condition No. 5, I see no reason why notice of the proposed alteration should not be published in the Municipal Gazette, and I shall be glad if the Council will take the earliest opportunity of doing so.

I am, Dear Sir, yours faithfully,

J. AMBROSE.

J. B. MACKINNON, Esq.,

Acting Secretary, Municipal Council.

(Enclosures.)

Shanghai, October 28, 1916.

DEAR SIR,—We have for acknowledgement your favour of 26th instant requesting our consent to the making of a 40-foot road on the Western Boundary of Cadastral Lot No. 2460, and have pleasure to advise you that we are agreeable to same.

We are, Dear Sirs, yours faithfully,
p.p. JARDINE, MATHESON & Co., LD.,

D. G. M. BERNARD,

General Managers.

The EWO COTTON SPINNING & WEAVING Co., LD.

The NEW ENGINEERING & SHIPBUILDING WORKS, LD.

Shanghai, October 30, 1916.

DEAR SIR,—In confirmation of the conversation which I had this morning with your Mr. Skinner, we beg to state that as owners of Lot 2070, we don't think there is any objection of the transfer of Jansen Road as you propose it : the only difficulty which may arise will come from the lease which we have given to the Laou Kung Mow Cotton Mill and I will communicate with them on the subject, as also with our head office in order to have the latter's consent.

Yours truly,

SOCIÉTÉ DES MISSIONS ÉTRANGÈRES,

F. SALLOU,

Procureur.

The NEW ENGINEERING & SHIPBUILDING WORKS, LD.

Shanghai, November 4, 1916.

DEAR SIR,—With reference to the note appearing in the Municipal Gazette of November 2 re Jansen Road, that “unless adequate reason against the change in the position of the road and the landing stage is adduced within ten days, the arrangements will be approved,” I beg to state that, as pointed out in my letter of October 30 to the New Engineering and Shipbuilding Works, Ltd., before giving our consent, I must wait for the assent of our head office in Hongkong, which I have not yet received and may not possibly receive in ten days’ time: I would ask, therefore, that the Council does not take any definite steps before I have ascertained what are the views of our head office on the matter and I have made them known to the parties interested.

Yours truly,

SOCIÉTÉ DES MISSIONS ÉTRANGÈRES,
F. SALLOU,
Procureur.

J. B. MACKINNON, Esq.,

Acting Secretary, Municipal Council.

Shanghai, November 7, 1916.

DEAR SIR,—With reference to the correspondence in connexion with the Jansen Road which appeared in the Municipal Gazette of November 2, we are directed to inform you by our Board that they do not consider any arrangement can be arrived at with their landlords, the Missions Étrangères, in so short a time as ten days from the date of the Municipal publication, inasmuch as Père F. Sallou, Procureur, Société des Missions Étrangères, tells us that he must communicate with his head office at Hongkong before the Mission’s consent can be given to any arrangements that may be arrived at between us.

Our property has hitherto had access to the river by both the Jansen Road and the Creek at the southeast corner, and in the interests of our shareholders the Board cannot agree to the surrender of the former access to the River. Besides which should a portion of the present Jansen Road from the Yangtsepoo Road to the southern extremity of our property be surrendered to our landlord we shall under the terms of our lease be subjected in about five years’ time to an increase of rent over what is now called for under our agreement, with no corresponding advantage to our Company.

In addition our Company must arrive at some understanding with the New Engineering & Shipbuilding Works, Ltd., in regard to the proposal as set forth in the Municipal Gazette.

In these circumstances we would ask the Council to postpone any change in the position of the Jansen Road and landing stage until such a time as we can arrive at a satisfactory settlement with our landlords and The New Engineering & Shipbuilding Works, Ltd.

We are, Dear Sir, yours faithfully,

THE LAOU KUNG MOW COTTON SPINNING & WEAVING CO., LD.,
ILBERT & Co.,
General Managers.

J. B. MACKINNON, Esq.,

Acting Secretary, Municipal Council.

Council Room, Shanghai, November 15, 1916.

SIR,—With reference to your letter of October 31, which was published in the Municipal Gazette of November 2, you will have noted in the following issue, that of November 9, the communications which the Council has received from the Société des Missions Étrangères and the Laou Kung Mow Cotton Spinning and Weaving Co., Ltd., which foreshadow the probability that reasons will be adduced against the change in the position of the Jansen Road and the landing stage.

Further correspondence has since been in progress between the several parties interested, and the unlikelihood that it may be possible to effect the change appears more imminent than before. If the objections of the parties affected prove to be insurmountable the Council will have no course but to record its final disapproval of the change, and I am, therefore directed to convey to you the Council’s advice to refrain from proceeding with a scheme of development which may be based upon any assumption that the transfer in question can be effected.

I am, Sir, your obedient servant,

J. B. MACKINNON,
Acting Secretary.

J. AMBROSE, Esq.

Shanghai, November 21, 1916.

DEAR SIR,—I have to acknowledge receipt of and to thank you for your letter of the 15th instant in which you draw my attention to the correspondence on the subject of the Jansen Road published in the Municipal Gazettes of the 2nd and 9th instant.

You also say that “further correspondence has since been in progress between the several parties interested,” and in that connexion I beg to enclose copy of letter dated the 7th instant received from the General Managers of the Laou Kung Mow Company by the New Engineering and Shipbuilding Works, Ltd., and a copy of the latter’s reply to same dated the 9th instant practically agreeing to the requests contained in the former Company’s letter of the 7th instant.

I do not know if this is the correspondence you allude to, but if it is, it does not appear to me that the objections to the proposed change are likely to prove insurmountable.

If, however, you have received other objections, I should esteem it a favour if you would let me know their nature and the source or sources from which they come, so that I may be in a position to reply to them.

I am, Dear Sir, yours faithfully,
J. AMBROSE.

J. B. MACKINNON, Esq.
Acting Secretary, Municipal Council.

(Enclosure No. 1)

Shanghai, November 7, 1916.

DEAR SIR,—We have laid your letter of October 26 before our Board of Directors as well as the correspondence under the heading Jansen Road which appeared in the Municipal Gazette of November 2.

Before agreeing to the proposal that the southern end of the Jansen Road at present bounded on both sides of your property be merged into your property, as well as the division of the Road between the two properties, we are requested to ask the following questions:—

1. Would your Board object to the Jansen Road at present existing between our two properties being a 20-ft. road instead of a 15-ft. road as suggested: we understand this 20-ft. road would be for our mutual benefit.

2. Would your Board still agree to the proposal set forth in your letter of August 2, viz., that you give an undertaking to us whereby we shall at all times enjoy free access to and from the river through your property in place of the access which we at present enjoy.

Should we desire it are we to understand that your Board will construct the road along the southern boundary to the Company's premises in accordance with the agreement of 1910, and mentioned in our letter of August 12.

4. Our Board would like to know whether your Company has obtained a new lot number for the foreshore you have acquired and referred to in the concluding paragraph of your letter of July 28.

5. Would your Board recompense us for any rent we may have to pay to our landlords in the event of either a 15-ft or 20-ft. of the Jansen Road being surrendered to them by the Council, and upon which under the terms of our lease we should have to pay rent, the approximate amount involved would be an increase of about Tls. 508 per annum, but would not be leviable for about 5 years when our rent will be 8 per cent. on the assessed value.

6. We shall be pleased to have the views of your Board as to the surrender of these roads, if eventually decided upon, to the Council for Policing and maintenance.

We shall be glad to have your reply as soon as possible so that we may discuss the matter with our Board of Directors as well as our Landlords—The Société des Missions Étrangères.

We are, Dear Sir, yours faithfully,
THE LAOU KUNG MOW COTTON SPINNING & WEAVING CO., LD.,
ILBERT & Co.,
General Managers.

To the SECRETARY,
The New Engineering and Shipbuilding Works, Ltd.

(Enclosure No. 2)

Shanghai, November 9, 1916.

DEAR SIR,—I have for acknowledgement your letter of 7th instant in which you ask certain questions before agreeing to the correspondence relating to the Jansen Road, which appeared in the Municipal Gazette of November 2.

I am directed to reply as follows:—

1. My Board have no objection to the Jansen Road being a 20-ft. road, provided the Council are willing to accept a 35-ft. road in lieu of a 40-ft. road as proposed, for the new road on the eastern boundary of Cadastral Lot No. 2446.

2. My Board are agreeable to grant you access to and from the river through our property upon application from time to time to the Manager of our Works, it being then shown that this access is required owing to insufficient facilities which the creek offers.

3. In accordance with the terms of our Agreement we are not concerned with the construction of the road along the southern boundary to your Company's premises and my Board are, therefore, unable to comply in the sense you desire. Clause 7 of said Agreement reads:—"The Company shall be free from all cost of making and maintaining or repairing the said road provided always that the Company will make good and repair any damage caused by traction engines or heavy trucks or such like excessive traffic being brought over the said road by the Company or by their servants or agents or by any person claiming through or under them or their servants or agents the right to use same."

4. My Board understand that a new lot number will in any case be issued for the foreshore we have acquired, as soon as the necessary deeds are completed.

5. My Board are willing to recompense you for half the amount of any rent you may have to pay your landlords in the event of either 15-ft. or 20-ft. of the Jansen Road being surrendered by the Council, upon the understanding that this

Company shall at all times enjoy the free use of such road. The amount thus payable being approximately Tia. 250 per annum which will not be leviable for about 5 years hence.

6. My Board do not desire to express any views regarding the surrender of the roads mentioned to the Council for Policing and maintenance, as it appears to them a matter in which they are not concerned.

I am, Dear Sir, yours faithfully,
C. A. SKINNER,
Secretary.

Messrs. ILBERT & Co., Ltd.,
General Managers,
The Laou Kung Mow Cotton Spinning & Weaving Co., Ltd.

Shanghai, November 23, 1916.

DEAR SIR,—With reference to the correspondence which has appeared from time to time in the Municipal Gazette on the subject of the Jansen Road we are directed by our Board to ask :—

1. Would the Council object to the Jansen Road at present existing between the New Engineering Works property and our own being a 20-ft. road instead of a 15-ft. as suggested. We understand the New Engineering Works would have no objections to this provided the Council are willing to accept a 35-ft. road as proposed, on the new line.

2. Under an agreement with our landlords a road has to be constructed by them at the southern end of our property, and at right angles to the Jansen Road, leading to the Creek on the eastern side of our property.

Would the Council maintain, light and police this new road and the Jansen Road without any contribution from the tenants or landlords? If not, what amount of contribution will be asked for?

We would beg to state that these questions are merely tentative ones, as no definite arrangement can be arrived at without the full concurrence of our landlords—The Société des Missions Etrangères—whose head office wants these points very well defined before they can give a definite answer.

We are, Dear Sir, yours faithfully,
THE LAOU KUNG MOW COTTON SPINNING & WEAVING CO., LTD.,
ILBERT & Co.,
General Managers.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, December 18, 1916.

GENTLEMEN,—In reply to your letter of November 23 I am directed to state that the Council would have no objection to a 20-ft. road on the site of the Jansen Road and on the new road would agree to a reduced width to 35-ft. : but it would only effect lighting, maintenance and policing if the road should remain the same width as at present up to the point where the line is proposed to be included in the New Engineering and Shipbuilding Works property : the private road at the southern end of your property it could not undertake to maintain, light or police.

If the New Engineering Works succeed in surmounting adequate objections of neighbouring property owners to the arrangement which has been proposed relating to the southern end of the road, the Council would prefer that the existing road up to the corner of your property should revert to adjoining owners in such manner as they may mutually agree without involving any further expenditure from the public funds. The Council could agree to provide a public light near the Yangtsepoo Road.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. ILBERT & Co., Ltd.,
General Managers,
Laou Kung Mow Cotton Spinning and Weaving Co., Ltd.

Council Room, Shanghai, December 20, 1916.

GENTLEMEN,—I enclose copy of the Council's letter of December 18 to the Laou Kung Mow Cotton Spinning and Weaving Co., Ltd.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

THE NEW ENGINEERING AND SHIPBUILDING WORKS, LTD.

Council Room, Shanghai, December 20, 1916.

SIR,—I enclose copy of the Council's letter of December 18 to the Laou Kung Mow Cotton Spinning and Weaving Co., Ltd.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

F. SALLON,
Procureur, Société des Missions Etrangères.

Shanghai, December 27, 1916.

DEAR SIR,—I beg to enclose copy of Rev. Sallon's letter to the Laou Kung Mow, re Jansen Road.

Yours truly,
J. GEREY.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Shanghai, December 27, 1916.

DEAR SIRS,—We are in receipt of your letter of 22nd instant, containing copy of the Municipal Council's reply to your letter re the transfer of Jansen Road: we beg to state that the propositions contained in the letter of the Municipal Council re the lighting, maintenance and policing of the Jansen Road are quite satisfactory to us.

As to the road on the southern end of the premises of the Laou Kung Mow Mill, we are prepared to have it done and the agreement made between our Mission and the Laou Kung Mow provides that the Mill has to maintain it: it remains, therefore, to you to let us know what kind of lighting and policing you want on that road, if you want any and to inform the Council whether you will accept their propositions.

Yours truly,
SOCIÉTÉ DES MISSIONS ÉTRANGÈRES,
F. SALLON,
Procureur.

Messrs. ILBERT & Co., Ltd.,
General Managers,
Laou Kung Mow Cotton Spinning and Weaving Co., Ltd.

Shanghai, January 9, 1917.

DEAR SIR,—We have to acknowledge receipt of your letter of December 18 for which we thank you.

We have now to inform you that a meeting of our Directors was held on the 8th instant at which Rev. F. Sallon, Procureur des Missions Etrangères, representing our landlords, was present.

At this meeting the question of the surrender of the Jansen Road as a public thoroughfare, more especially the proposal that the southern end of the road bounded on both sides by the property of the New Engineering and Shipbuilding Works, Ltd., be merged into their property was very fully discussed.

All the correspondence was most carefully gone over, as well as the different points that the New Engineering and Shipbuilding Works, Ltd., were willing to accede to in the event of the surrender of the road.

We are now instructed to inform you that our Board of Directors after considering the various points from all their bearings decided as already stated in our letter of November 7 to your goodself, that they cannot see their way to acquiesce in depriving the Company's shareholders of one of their free accesses to the river, unencumbered as it is at the present by any restrictions and inasmuch as the proposal put forward contains no corresponding advantage to the Company which our landlords—The Société des Missions Etrangères—recognise.

We are, Dear Sir, yours faithfully,
THE LAOU KUNG MOW COTTON SPINNING & WEAVING CO., LTD.,
ILBERT & Co.,
General Managers.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, January 12, 1917.

SIR,—I am directed to send you herein enclosed a copy of the reply dated January 9 of the Laou Kung Mow Cotton Spinning and Weaving Co., Ltd., to the Council's letter of December 18, copy of which was sent to you on December 20.

As the objections of the Company to the proposed arrangements for the deviation of the Jansen Road appear to be insurmountable, the Council has had no course but to record its final disapproval thereof and I am directed to inform you accordingly.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

J. AMBROSE, Esq.

Shanghai, February 9, 1917.

DEAR SIR,—Referring to your letter of January 12 in which you informed me that the Council had—in view of the objections raised by the Laou Kung Mow Cotton Spinning and Weaving Co.—no other course but to record its final disapproval of the deviation of the Jansen Road, I now have the pleasure to enclose you copy of a letter received from the above Company from which you will see that the objections of that Company together with those of the Company's landlords, viz., The Société des Missions Etrangères have been overcome, and that the parties interested are now in agreement for the closure of this road as a public thoroughfare, thereby conforming with the views of the Council as expressed in their letter of December 18 last.

I am, therefore, requested by the Directors of the New Engineering and Shipbuilding Works, Ltd., to obtain the Council's re-approval of the closing of the Jansen Road, and in its place the construction of the road and landing stage on the eastern boundary of Cadastral Lot No. 2466 as originally proposed.

In doing so, I desire to point out that in view of the many concessions the New Engineering and Shipbuilding Works, Ltd., have already been called upon to make without involving any expenditure from the public funds, that the proposed new road should be the same width as the present Jansen Road, viz., 30 feet which was my original proposition, all other conditions as to the construction of said new road and landing stage to be as per condition No. 2 of the Council's letter of October 23, 1916.

Will you, therefore, be good enough to again bring this matter before the Council at the earliest opportunity and oblige.

Dear Sir, yours truly,
J. AMBROSE.

N. O. LIDDELL, Esq.,
Assistant Secretary.

(Enclosure.)

Shanghai, February 6, 1917.

DEAR SIR,—We have to acknowledge receipt of your letter of the 5th instant and have the pleasure to inform you that we have laid the proposals therein set forth before our landlords, the Missions Etrangères and our Board of Directors, and that the arrangements suggested are agreeable to both of them.

The terms agreed upon may be summarized as follows:—

1.—That your Company give us a strip of land 20 feet in width on the western bank of the creek connecting our property with the river, that this road be retained as a mutual roadway for our joint exclusive use and to link up with the road to be made at the southern end of our Company's property, thereby allowing us free and unrestricted access over same to the river. Such roadway to be made up at your Company's expense whenever we may call upon you to do so, and also whenever we so desire to construct wooden steps to form a landing stage on the river frontage. The cost of maintaining such roadway and landing stage to be borne equally by your goodselves and this Company.

2.—The present Jansen Road as far as the southern end of our property to be only a 20-foot road. The remaining 10 feet on your side of the road to revert to your goodselves.

3.—The road from the Yangtzepoo Road to the River to be a private road for our mutual benefit.

4.—The extra rent of which our Company will become liable in subsequent years due to the present Jansen Road on the west of our property becoming a private road, to be defrayed by your Company.

5.—The cost of lighting, maintenance and policing of the whole road from the Yangtzepoo Road to the river frontage, to be borne equally between us.

For the sake of regularity we would suggest that an agreement between the parties concerned should be drawn up on the above lines.

We are, Dear Sir, yours faithfully,
ILBERT & Co.

THE SECRETARY,
The New Engineering & Shipbuilding Works, Ltd.

Council Room, Shanghai, February 23, 1917.

SIR,—With reference to your letter of February 9 and to the subsequent negotiations between yourself and the Municipal Engineer on the subject of the Jansen Road, I am directed to notify you of the Council's approval of the transfer of the existing road and landing stage to the east side of Lot 2446 on the following terms:—

(1) That the present Jansen Road shall be retroceded to the parties concerned, the New Engineering and Shipbuilding Works, the Société des Missions Etrangères and the Laou Kung Mow Cotton Spinning and Weaving Co., Ltd., on the understanding that the detailed arrangements as to its future shall be mutually agreed upon by these parties, and that a letter signed by them and recording their agreement shall be addressed to the Council.

(2) That the surrender of land for the new road from Lot 2446 shall be 40 feet in width from the Conservancy Normal Line for a distance of 100 feet and thence to the Yangtzepoo Road 30 feet in width with suitably rounded corners, and shall include all water frontage rights in respect of the 40 foot strip.

(3) That the New Engineering and Shipbuilding Works shall defray the cost of making and metalling the new road, of bunding the end of it, of laying a sewer therein and of constructing a reinforced concrete landing-stage of 40 feet in width.

(4) That inasmuch as the width of the road differs from that to which the Ewo Cotton Spinning and Weaving Co., Ltd., consented in their letter of October 28, 1916, a further letter consenting to the altered width, should be obtained from them and submitted to the Council.

J. AMBROSE, Esq.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

Shanghai, April 25, 1917.

DEAR SIR,—Referring to Clause 4 of your letter of February 23 on the matter of the retrocession of the Jansen Road and in its place the construction of a road west of Cadastral Lot No. 2460, I now have the pleasure to enclose copy of letter from Messrs. Jardine, Matheson & Co., Ltd., as General Managers of the Ewo Cotton Spinning and Weaving Co., agreeing to the proposed new road being 40 feet in width from the Normal Conservancy line for a distance of 100 feet, and thence to the Yangtsepoo Road 30 feet in width, and a copy of my client's reply to same, which will I think cover the condition contained in the clause above referred to.

I may, however, mention that Messrs. Jardine, Matheson & Co., Ltd., rather took exception to the road being constructed as above, for the reason that at the distance of 100 feet from the Conservancy line the abrupt change from 40 feet to 30 feet in the width of the proposed road formed a recess in which undesirable characters could hide themselves, and that after a consultation with Mr. Godfrey he expressed himself as willing to agree to the road being 40 feet at the Conservancy line reducing in width to 30 feet at a point 200 feet from that line which would eliminate the recess to which objection was taken, the amount of land surrendered by my clients being the same.

I would also like to say that the delay in answering your letter under reply has, in a measure, been due to negotiations between the New Engineering & Shipbuilding Works, Ltd., and the Ewo Mill Co. for the surrender of a strip of land at the northwest corner of the latter Company's property whereby a rounding of the east corner of the proposed new road and the Yangtsepoo Road could be carried out, and I am pleased to say that matter has at last been settled, and I will in the course of a few days furnish you with a plan showing the line of proposed road from the river to the Yangtsepoo Road

I am, Dear Sir, yours truly,
J. AMBROSE.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

(Enclosure No. 1.)

Shanghai, April 24, 1917.

DEAR SIR,—Referring to the recent correspondence between us, we have pleasure in advising you that we are agreeable to a new road along the western boundary of Cadastral Lot No. 2460, said new road to be 40 feet in width from the Conservancy Normal Line for a distance of 100 feet, and thence to the Yangtsepoo Road 30 feet in width.

We are, Dear Sirs, yours faithfully,
J.P. JARDINE, MATHESON & CO., LTD.,
A. B. SMITH,
General Managers.

THE NEW ENGINEERING & SHIPBUILDING WORKS, LTD.

(Enclosure No. 2.)

Shanghai, April 25, 1917.

DEAR SIR,—I am directed to acknowledge with thanks your letter of yesterday's date agreeing to the proposed new road along the western boundary of Cadastral Lot No. 2460. It has now been suggested to the Municipal Engineer that same shall be 40 feet in width at the stage reducing it to 30 feet at a point 200 feet from the Conservancy Normal Line; as this suggestion does away with the recess that would otherwise occur in the road and affords a clearer view throughout its entire length, I shall be glad to hear same has your approval.

I am, Dear Sir, yours faithfully,
C. A. SKINNER,
Secretary.

MESSRS. JARDINE, MATHESON & CO., LTD.,
General Managers,
THE EWO COTTON SPINNING & WEAVING CO., LTD.

Shanghai, April 27, 1917.

DEAR SIR,—As promised in my letter of the 25th instant, I now beg to hand you in duplicate, plan of the proposed road west of Cadastral Lot No. 2460, Eastern, and I further beg to enclose copy of letter from Messrs. Jardine, Matheson & Co., Ltd., as General Managers of the Ewo Cotton Spinning & Weaving Co., Ltd., agreeing to the suggestion that the point at which the said road should be reduced to 30 feet in width should be 200 feet from the Normal Conservancy line.

I am, Dear Sir, yours faithfully,
J. AMBROSE.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

(Enclosure.)

Shanghai, April 26, 1917.

DEAR SIRS,—We are in receipt of your favour dated 25th instant and have to advise you that we have no objection to the proposed new road along the western boundary of Cadastral Lot No. 2460 being 40 feet in width at the stage reducing it to 30 feet at a point 200 feet from the Conservancy Normal Line.

We are, Dear Sirs, yours faithfully,
p.p. JARDINE, MATHESON & CO., LD.,
 A. B. SMITH,
General Managers.

The NEW ENGINEERING & SHIPBUILDING WORKS, LD.

Council Room, Shanghai, May 7, 1917.

SIR,—In reply to your letters of April 25 and 27, on the subject of the deviation of Jansen Road, I am directed to state that the Council agrees to the modification proposed whereby the road shall taper from 40 to 30 feet in width. With regard to the plan accompanying your letter of April 27, the Council considers that the angle shown, 60 feet from Yangtze-poo Road, is not in accordance with the stipulation that the road shall follow the eastern boundary of Lot 2446; but as this modification is not material no objection will be made thereto. On the other hand the 10-ft. radius curve shown on the plan does not meet the condition of suitably rounded corners. Your statement to the Municipal Engineer is, however, noted that the New Engineering & Shipbuilding Works, Ltd., will surrender the additional area required without compensation at such time as the watchman's house is removed; the further rounding of the corner from the property of Messrs. Jardine, Matheson & Co., Ltd., will necessarily have to be dealt with when the main building is set back.

I am, Sir, your obedient servant,
 N. O. LIDDELL,
Acting Secretary.

J. AMBROSE, Esq.

KINCHOW ROAD AND SURPLUS LAND.—

Purchase of the entire holding of a Chinese owner has been arranged in connexion with extension of this road immediately south of Kwenming Road at Tls. 700 per mow, or Tls. 971 for Mow 1.387 with Tls. 350 extra in respect of removal of buildings. Of this area Mow 0.612 will be available for use or resale as surplus land.

KUNGPING, EAST YUHAN ROAD AND SURPLUS LAND.—

In connexion with the surrender of the scheduled area of Lot 1414, the claim of the China Land and Building Co., Ltd., was accepted, whereunder compensation was paid for the land required for the Kungping Road at the assessed value, Tls. 1,400 per mow plus 10 per cent. for compulsory surrender or Tls. 939 for Mow 0.610. At the same time two pieces of surplus land separated by the roadline from the remainder of the lot were purchased, at the assessed value, or Tls. 162 for Mow 0.116. The strip of this property, required for the East Yuhang Road, measuring Mow 0.314, was surrendered without compensation under Article VI A of the Land Regulations.

KWANGHSIN (DELHI) ROAD.—

With reference to the award of the Land Commissioners in Cases 110A and 110B, contained on pp. 40-45B of the Report for 1916, the following further correspondence refers to the compensation payable in respect of reinstatement.

Shanghai, January 30, 1917.

DEAR SIR,—With regard to the removal of buildings, water mains and drains from Cadastral Lots 6013 and 6015, which lots are the property of the San Sing Cotton Co. and the Shanghai Cotton Manufacturing Co. respectively, we propose that the following method would be the best.

The two Cotton Companies to remove their several buildings and structures, and the Council to arrange for and carry out the removal and relaying of all water mains, pipes, drains and manholes to new positions; the Council paying to the Cotton Companies the cost of removal, etc., of the buildings and structures.

We have obtained tenders for this latter work which are as follows:—

Cost of removal, etc., of premises belonging to the San Sing Co.	Tls. 2,900
" " " Shanghai Cotton Manufacturing Co.	" 938
Total Tls.	<u>3,838</u>

We have obtained the consent of the Shanghai Cotton Manufacturing Co. to the above arrangement so that if agreeable to you the work of removing their premises can proceed at once; we are still awaiting an answer from the San Sing Cotton Co. and will write you immediately we receive same.

CHAS. H. GODFREY, Esq.,
Engineer & Surveyor.

Yours faithfully,
LESTER, JOHNSON & MORRISS.

Shanghai, February 8, 1917.

DEAR SIR,—In further reference to our letter dated January 30, we find that there are eight water wells on the San Sing Cotton Company's land in the line of the Kwanghsin Road; the cost of filling in and rebuilding these wells in new position, was not included in the tender of Tls. 2,900.

The cost of this amounts to Tls. 1,050, which amount should be added to above sum.

CHAS. H. GODFREY, Esq.,
Engineer & Surveyor.

Yours faithfully,
LESTER, JOHNSON & MORRISS.

Council Room, Shanghai, May 1, 1917.

GENTLEMEN,—In reply to your letters of January 30 and February 8, on the subject of the compensation payable in respect of Kwanghsin Road, Lots 6013 and 6015, I am directed to state that the sum claimed, Tls. 4,888, appears to be far too high. The estimate for reinstatement is considered most unreasonable since most of the buildings, etc., affected, are in a very dilapidated condition. The cost of reinstatement of these buildings, walls, etc. is estimated by the Public Works Department as follows:—

On Lot 6015	Tls. 400
On Lot 6013	" 1,700
Total Tls.	2,100

I am directed to offer you this amount of compensation.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL.
Acting Secretary.

Messrs. LESTER, JOHNSON & MORRISS.

Shanghai, May 19, 1917.

DEAR SIR,—We are instructed by the owners of Lots 6013 and 6015 to accept your offer of Tls. 400 and Tls. 1,700 contained in your letter of the 1st instant as compensation for re-instating the outbuildings in connexion with the formation of the Kwanghsin Road.

We shall be much obliged if you will proceed with the making up of this road as soon as possible.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Yours faithfully,
LESTER, JOHNSON & MORRISS.

LAY ROAD.—

Arrangements have been concluded with the Commissioner of Customs for the extension of this road through Lots 2554 and 2555 to the Conservancy Normal Line; thereunder surrender has been made without compensation of an area measuring Mow 3.201 and a contribution of Tls. 14,575 will be made, being one-half of the cost of the bunding between Yangtzepoo Road and the river front.

A triangular strip of cemetery land has been purchased at the sharp bend in Yangtzepoo Creek north of Pingliang Road to enable a needed improvement of the line of this road to be effected. The purchase price is at the rate of Tls. 1,000 per mow or Tls. 823 for Mow 0.823.

MUIRHEAD ROAD.—

The claim of the Rev. J. Marticorena was accepted for the surrender from Lot 1139 of part of the area scheduled for widening this road at the assessed value, Tls. 4,400 per mow, plus 10 per cent. for compulsory surrender or Tls. 213 for Mow 0.044. The walls and pillars affected by the surrender have been reinstated by the Public Works Department.

PINGLIANG ROAD.—

Surrender without compensation of the land required for this road ex Lot 3940, was only obtained after reference to the Land Commission. The correspondence and award are as under :—

Shanghai, May 11, 1917.

DEAR SIR,—Enclosed please find surrender deeds (3) for portion of Lot 3940, required by the Council for road purposes on the Pingliang Road, and I beg leave to submit claim for value of same, namely, Tls. 411.12 being at the assessed rate of Tls. 650 per mow, plus 10 per cent. for compulsory surrender of the area 5 fun 7 li and 5 hao required.

All fees for registration and alteration of title deeds to be met by the Council.

I enclose debit note for land tax, to be amended to new area for taxation.

I am, Dear Sir, yours truly,
JOHN CROMARTY.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, May 24, 1917.

SIR,—In reply to your letter of May 11 on the subject of the Pingliang Road, I am directed to point out that the signing of deeds of voluntary free surrender by you really completes this transaction. It would appear, however, from your claim that you have signed the deeds under a misapprehension, and without knowledge of the procedure with respect to road surrenders. It should be observed that free surrender of this land has already been arranged with Mr. Bloom, *vide* copies of correspondence attached. Quite apart from this arrangement, however, the case is one of those in which the Council invariably requires free surrender of the land necessary to provide the property with a Municipal road.

In the circumstances, I am directed to state that no compensation is payable, but that the amount claimed for the land tax will be modified in accordance with your request.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

J. CROMARTY, Esq.

(Enclosure.)

Shanghai, March 20, 1916.

DEAR SIR,—I beg permission to draw your attention to the fact that No. 5 Batavia Road has been in existence for about 9 years, paying full taxes throughout, and up to the present my only access is a narrow path through the fields, which I have constructed at my own expense, and which costs a considerable amount each year for maintenance.

Batavia Road has recently been constructed as far as Thorburn Road, and continued forward from Lay Road, by way of Palace Gardens. If the Council could see their way clear to connect the section Thorburn and Lay Roads by constructing this portion of Batavia Road, it would not only give me an access, but would divert traffic from Yangtzepoo Road to Batavia Road, bound for the Point.

I trust that you will give this matter your usual kind consideration.

Yours faithfully,
GEO. BLOOM.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, May 16, 1916.

SIR,—With reference to your letter of March 20 on the subject of access to Lot 3940, Batavia Road, I am directed to state that the Council has given instructions for the making up of the road up to this property in return for the surrender therefrom of the requisite land, measuring Mow 0.575.

I am, Sir, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

G. BLOOM, Esq.

Shanghai, June 16, 1917.

DEAR SIR,—In reply to your letter of May 24, I would like to say that no one has my authority to make any arrangements for disposal of any part or portion of the land at 5 Pingliang Road.

I admit that I am not conversant with the procedure with respect to land surrenders and would be pleased to know the usual procedure for future guidance.

I received the debit note for land tax, demanding payment on the land compulsorily taken by the Council, I returned it to the office for correction when I received your letters with the surrender deeds, stating it was necessary to sign the deeds and on receipt of same the debit note would be amended, therefore I complied with your request and forwarded the deeds with my claim for compensation.

As my claim is regular and in order, therefore, under the circumstances I claim compensation for the Mow 0.575.

I am, Dear Sir, yours truly,
JOHN CROMARTY.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, July 20, 1917.

SIR,—In reply to your letter of June 16 with reference to Pingliang Road, Lot 3940, I am directed to state that apart from the fact that you have signed surrender deeds for the road land and that surrender had been arranged with Mr. Bloom, you appear to overlook the fact that in all similar cases it is the Council's invariable practice to require surrender of the road land since it is obvious that unless the owner is willing to co-operate in the provision of a public road, he must necessarily provide himself with other adequate access to his property. This practice has been followed by the Council for many years and it is upheld by a series of decisions by the Land Commissioners, and I am directed therefore to inform you that the Council is unable to pay compensation for the road land in question.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

J. CROMARTY, Esq.

Shanghai, August 9, 1917.

SIR,—In reply to your letter of July 20 with reference to 5 Pingliang Road, Lot 3940, I certainly object to the Council making arrangements for the surrender of the land required for road purposes, otherwise than with the registered owner.

Please refer to my letter of June 16, giving the reason for forwarding the surrender deeds.

Until the present road was completed I was under the necessity of making and maintaining a footpath to the property.

No objection has been made to the construction of the present road, and I quite appreciate the benefit now after waiting for the past ten years for its completion.

Quite apart from the reasons you give, I beg to submit my claim for compensation.

I am, Sir, yours truly,
JOHN CROMARTY.

E. S. B. ROWE, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, September 3, 1917.

SIR,—In reply to your letter of August 9, with further reference to Lot 3940 and the Pingliang Road, I am directed to repeat that, in this case, the Council is of opinion that no compensation is properly payable.

It has already been intimated to you that the Council does not wish to consider as binding the deeds of surrender which you state you have signed under a misapprehension. At the same time, no claim whatsoever can be entertained for the land in question as the case is one of those in which surrender without compensation is invariably required.

I am directed, therefore, to inform you that should you so desire, the question of your claim will be referred for consideration by the Land Commissioners, notice of whose sitting will, in due course, be conveyed to you.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

J. CROMARTY, Esq.

Shanghai, September 28, 1917.

DEAR SIR,—In answer to your letter of September 3 with reference to my claim for compensation on the land acquired by the Municipal Council for road purposes at 5 Pingliang Road, Lot 3940.

I would state that in your former letters you claimed no compensation was payable, due to your possession of the surrender deeds, and the arrangement you claimed to make with Mr. Bloom, as you have not given a satisfactory reason why compensation is not payable by the Council, I shall be obliged if you will refer my claim to compensation for consideration by the Land Commissioners.

I am, Dear Sir, yours truly,
J. CROMARTY.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

LAND COMMISSION.
CASE No. 118.
AWARD.

The Council is represented by its Assistant Secretary, Mr. E. S. B. Rowe, the Municipal Engineer being in attendance. Mr. J. Cromarty appears in person.

On behalf of the Council, the Assistant Secretary states that the Pingliang Road was constructed largely owing to the repeated applications of Mr. Cromarty and his tenant Mr. Bloom, and that in 1916, Mr. Bloom was informed that his request would be complied with if he would arrange surrender of the land from this lot necessary to make the road. This entailed a surrender of Mow 0.575 from the owner, who applied for an amended debit note in respect of taxes on the portion given up, at the same time returning the surrender deeds duly signed.

Mr. Cromarty states he signed the surrender deeds not knowing that by so doing he acquiesced in the Council's request for free surrender, merely doing so in order to obtain a deduction from the taxes on this property. Further, since 1908 he has been obliged to expend amounts annually to keep in good condition the only access he formerly had, a narrow pathway from Thorburn Road. The Council had since made up the road, and he appreciated its usefulness, but he did not see any reason why he should surrender any of his land without compensation. The Assistant Secretary replies that so soon as Mr. Cromarty indicated that he had signed the deeds under a misapprehension, the Council informed him that they would not consider his signature as binding, and after some further correspondence, had cited him before this Commission in order that the question of the compensation, if any, should be adjudicated upon by the Land Commissioners. He submitted that by reason of the provision of a Municipal road to this property, it benefited to such an extent as to justify the demand for surrender of the road land without compensation.

In answer to the Commissioners Mr. Cromarty states the land surrendered was used as a garden. The whole lot was registered in 1902, scheduled in 1903 and purchased by him in 1906.

Both parties having withdrawn the Commissioners decide as follows :—

That, in their opinion, the construction of the Pingliang Road affords such beneficial road access to Cadastral Lot 3940 as to justify the Council's claim for free surrender of the area scheduled, and they award accordingly.

A. D. BELL, H. G. SIMMS, A. BROOKE SMITH,	} <i>Land Commissioners 1917/18.</i>
	L. G. WESTCOTT, <i>Secretary.</i>

SEOUL ROAD.—

Correspondence with Messrs. Ellis & Hays on the subject of the surrender of the scheduled area of Lot 7293 (B. C. 9178):—

Council Room, Shanghai, November 16, 1917.

GENTLEMEN,—Herewith please find surrender deed in triplicate for land ex lot No. 9178 in H. M. Consulate register for favour of due signature by Mr. J. Hays and return to this office. So soon as Consular registration has been effected I shall forward to you one copy of the deed.

I am, Gentlemen, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

Messrs. ELLIS AND HAYS.

Shanghai, November 20, 1917.

SIR,—We have for acknowledgement the letter of the 16th instant addressed to us by the Assistant Secretary of the Municipal Council enclosing Surrender Deed in triplicate for a portion of B. C. Lot 9178 for execution by our Mr. Hays, the registered owner. We beg leave to inform you that although Mr. Hays is the registered owner, the beneficial owners are Chinese, who bought the property early in the year 1916 and now for the first time they are informed of the Council's claim to a portion of the land for the purpose of road making.

Under the circumstances we are instructed to enquire, before our Mr. Hays executes the Deed, whether the Council is prepared to make any compensation to the beneficial owners in respect of the land so to be surrendered. As you are no doubt aware the Council invariably pays such compensation to holders of fangtans when no foreign title deeds have been granted and such payments are known as the "proclamation price" of surrendered land and we see no good reason why in a case of this kind a similar compensation should not be paid to the beneficial owners.

Awaiting the favour of your esteemed reply,

We have the honour to be, Sir, your obedient servants,
ELLIS & HAYS.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, November 30, 1917.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of November 20 on the subject of Lot 7293.

In reply thereto, I am directed to state that the Seoul Road was first scheduled in 1906, the date of application for the title deed is March 26, 1917, so that under Article VI of the Land Regulations, the area required for extension of the Seoul Road is subject to compulsory surrender.

With respect to your enquiry as to whether the Council would pay the proclamation rate, Tls. 150 per mow, for the scheduled area of this lot, I am directed to state that apart from the fact that this area is liable to free surrender under the Land Regulations, it bears so small a proportion, Mow 2.786, to the area of the property, Mow 52, that having regard to the betterment derived by the provision of adequate public road accommodation, the Council would in any case call for the surrender without compensation.

With respect to the statement that the beneficial owners are now for the first time informed that a projected road lies on their property, it may be pointed out that the roadlines are clearly shown on the official plans accepted by the registered owner: furthermore the plans submitted by one H. E. Lieb in March of this year for the construction of a mill show how it is proposed to take advantage of the scheduled roads; and again, you may not perhaps be aware that the Chinese interested in the mill approached the Public Works Department some time ago with a suggestion for metalling the roads; moreover the line of the road has been delineated on the ground for a considerable time. In these circumstances it seems to the Council inconceivable that any person interested in this property can be unaware of the position of the public roads affecting the property.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. ELLIS and HAYS.

Shanghai, November 30, 1917.

DEAR SIR,—In reply to your letter of to-day's date, the contents of which are duly noted, we beg to hand you herewith in duplicate the Deed of Surrender of Mow 2.786 being a portion of Cadastral Lot 7293, B. C. Lot 9178, from our Mr. Hays, the registered owner, to the Shanghai Municipal Council duly executed and attested. We are retaining one copy for ourselves.

Yours faithfully,
ELLIS & HAYS.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

TONGSHAN ROAD.—

The bunding of the Singkeipang, which extends along Tongshan Road, has gradually deteriorated and collapsed in places in the course of the year. As the safety of the adjoining road thereby became endangered, it became necessary either to reconstruct the bunding or to culvert the creek along a length of 412 feet east of Dent Road. The cost of reconstruction was estimated at Tls. 5,540 and of culverting Tls. 8,100; the latter course was authorised and the creek has therefore been filled in and culverted between Kwenming and Dent Roads.

TSITSIHAR ROAD AND SURPLUS LAND.—

Correspondence on the subject of a proposed deviation of this road, surrender of the scheduled road-land and acquisition of two pieces of surplus land :—

Shanghai, July 12, 1917.

DEAR SIR,—I am instructed by Mr. Yoh Chain-yao the owner of the unregistered land shown on the plan enclosed herewith to address you with reference to the way in which the proposed Tsitsihar Road affects his land.

As you will see, the said road takes up the greater portion of his land and leaves him a narrow and irregular shaped strip on the east which is absolutely useless to him. I am, therefore, to ask that the Council should so change the line of the said road as to leave my client a strip of a uniform width of at least of 24 feet and, in the alternative, to offer to sell to the Council the whole piece of his land at the price which he paid for it, namely \$950.

Please return me the enclosed plan.

Yours truly,
J. O. ANDERSON.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, July 21, 1917.

SIR,—In reply to your letter of July 12 on the subject of B.C. Lot 8876, Tsitsihar Road, I am directed to inform you that a deviation in the manner you suggest is not considered practicable; consequently that portion of this lot which is scheduled for the road must be surrendered, but since such surrender will render the remainder of the lot useless for development, the Council in order to suit your convenience is not unwilling to purchase the whole. The valuation of land in this locality which has been carried out at the beginning of this year by two impartial assessors is contained in the Assessment Schedule for the Eastern District. It will be noted that the value of the most favourably situated lots in this vicinity is Tls. 550 per mow. This rate the Council is willing to pay for the piece of land in question contingent upon completion by the owner of the registration of the property now in progress, a total sum of Tls. 520 for Mow 0.945.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

J. O. ANDERSON, Esq.

Shanghai, August 3, 1917.

DEAR SIR,—In reply to your letter of the 21st ultimo. I am instructed by my client to inform you that he is prepared to accept the Council's offer to purchase the above lot of land at the price of Tls. 520 on condition that the Council will take it unregistered as he has already withdrawn his application for registration.

Trusting that this is acceptable to the Council and awaiting your reply.

Yours truly,
J. O. ANDERSON.

E. S. B. ROWE, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, August 16, 1917.

SIR,—I am directed to inform you, in reply to your letter of August 3, on the subject of B.C. Lot 8876, Tsitsihar Road, that the Council's offer of Tls. 550 per mow for the purchase of this lot, was contingent upon completion by the owner of the registration of the property, and that this condition cannot, it is regretted, be waived as requested by you.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

J. O. ANDERSON, Esq.

Shanghai, October 6, 1917.

DEAR SIR,—Referring to your letter of August 16, I am instructed by my client to accept the Council's offer to purchase the lot of land on Tsitsihar Road at Tls. 550 per mow upon completion of the registration of the said property. A title deed is being applied for and I will communicate with you when it is out.

Yours truly,
J. O. ANDERSON.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

WARD AND LAY ROADS.—

Arrangements have been concluded for the rounding of the south-west corner to a 50-ft. radius at the rate of Tls. 800 per mow, involving a payment of Tls. 29 for Mow 0.036.

WHASHING ROAD.—

Expropriation of the Scheduled area of lot 2985 was only effected after reference to the Land Commissioners. The correspondence and Award follow :—

Shanghai, May 18, 1916.

DEAR SIR,—Herewith I beg to hand you a plan showing in red the area required from Lot 2985 for road purposes.

I shall be obliged if you will inform me whether, in the event of the extension being carried out, you will be prepared to make a free surrender of the necessary road land. I may say that I consider the construction of the road will enhance the value of the property.

Yours faithfully,
C. H. GODFREY,
Engineer and Surveyor.

Messrs. HANSON, McNEILL, JONES & WRIGHT.

Shanghai, June 15, 1916.

DEAR SIR,—In reply to your letter of the 18th ult. we have seen the beneficial owner of B. C. Lot 3319, Yangtszepoo Road, and he instructed us to say that he is prepared to surrender to the Council a portion of this lot for the purpose of Whashing Road extension on the Council paying compensation at the assessed value per mow plus 10 per cent. for compulsory surrender—and he further instructed us to say that the property was bought many years ago since then he has derived no benefit whatever from it and could not therefore see his way to surrender the land free of cost as you suggest.

Yours truly,
HANSON, McNEILL, JONES & WRIGHT.

C. H. GODFREY, Esq.,
Engineer and Surveyor.

Council Room, Shanghai, June 21, 1916.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of June 15 to the Municipal Engineer, on the subject of the surrender from Lot 2985 of the piece of land required for the Whashing Road. In reply thereto, I am directed to state that the Council is of opinion that the small area in question should, in accordance with the usual practice in such cases, be surrendered without monetary compensation and I have, therefore, to request that you will be so good as to arrange accordingly.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. HANSON, McNEILL, JONES & WRIGHT.

Council Room, Shanghai, July 20, 1917.

GENTLEMEN,—I have to refer to the Council's letter to yourselves of June 21, 1916, on the subject of the surrender from Lot 2985 of a piece of land scheduled for the Whashing Road, I have to request that you will be so good as to give this matter the benefit of your kind attention.

I am, Gentlemen, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

Messrs. HANSON, McNEILL, JONES & WRIGHT.

Shanghai, July 26, 1917.

DEAR SIR,—In reply to your letter of the 20th inst. we have again seen the beneficial owner of Cadastral Lot 2985 with reference to the Council's suggestion that the land required for the purpose of widening the Whashing Road should be surrendered free, and we have been instructed by him to say that in view of the hardship of having paid taxes for so many years and not deriving any income from the property he could not see his way to make a free surrender to the Council and would still adhere to his offer made in our letter of June 15 last year.

Yours truly,
HANSON, McNEILL, JONES & WRIGHT.

E. S. B. ROWE, Esq.,
Assistant Secretary, Municipal Council.

Council Room, Shanghai, August 1, 1917.

GENTLEMEN,—In reply to your letter of July 26 with further reference to the question of compensation for surrender from Lot 2985 of a piece of land scheduled for the Whashing Road, it is noted that in June 1916 your claim, at the assessed value, amounted to Tls. 468. Since the property in question was re-assessed at the beginning of this year, the amount of the claim, at the present assessed value, is Tls. 366.

I am directed to re-state the Council's view that, in the case of such properties as that at present under discussion, the full development of which can only be secured by the provision of adequate road access, the surrender of the land required for the road should be made without compensation.

I am directed, therefore, to inform you that the Council has decided to refer the question of compensation, if any, payable in respect of this road surrender, for settlement by the Land Commissioners.

I am, Gentlemen, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

Messrs. HANSON, McNEILL, JONES & WRIGHT.

Council Room, Shanghai, October 20, 1917.

GENTLEMEN,—Referring to the correspondence published in the Municipal Gazette of August 23, 1917, I forward herewith a plan which has been prepared for the information of the Land Commissioners, showing the portions of Lot 2985 which are required for inclusion in the Whashing Road. This plan I am to request that you will be so good as to return to this office signed by or on behalf of the registered owners; it being understood that the signature will indicate only the accuracy of the details contained therein.

In addition to the area which has already been the subject of correspondence the plan shows the additional area required at the corner of Whashing and Yangtzepoo Roads, measuring Mow 0.172, which, it is suggested, should be the subject of consideration by the Commissioners at the same time.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. HANSON, McNEILL, JONES & WRIGHT.

Shanghai, October 22, 1917.

DEAR SIR,—We beg to acknowledge receipt of your letter of the 20th instant accompanying which is a plan shewing in red a portion of Cadastral Lot 2985 required by the Council for inclusion in the Whashing Road and also shewing a portion in red at the corner of the Whashing and Yangtzepoo Roads which (as an afterthought) the Council now desire to acquire for the purpose of rounding off of such corner.

As the surrender of the portion at the corner can only be for the benefit of the public from a traffic point of view, we have been instructed by the beneficial owner of the property to claim compensation from the Council at the rate of Tls. 2,500 per mow plus 10 per cent for compulsory surrender. Although the property is assessed at Tls. 1,800 per mow all through, our client does not consider that the same valuation should be fixed for that part of the lot which is fronting the Yangtzepoo Road while Cadastral Lot 4209 further down is assessed at Tls. 2,500 per mow.

Yours truly,
HANSON, McNEILL, JONES & WRIGHT.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, November 5, 1917.

GENTLEMEN,—In reply to your letter of October 22, with further reference to Cadastral Lot 2985, I am directed to state that it is a fact that this property is assessed at a lower valuation than other properties better situated for development, which emphasises the desirability in the case of lots such as this for the provision of good Municipal roads, thus enhancing the value of the property. It is precisely for this reason that the Council claims from you free surrender of the small piece of land on Whashing Road required to provide a road on the east of this property, and render it more capable of development. As regards the piece of land required to round off the corner of Whashing and Yangtzeppoo Roads, the Council is willing to pay the assessed value, plus ten per cent, for compulsory surrender, or Tls. 341 for Mow 0.172.

It should be noted that should your claim, at the rate of Tls. 2,500 per mow, be accepted, in accordance with the usual practice, the assessment of the whole lot would necessarily be raised to the same figure, with the result that the additional land tax payable would be Tls. 117 per annum.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. HANSON, McNEILL, JONES & WRIGHT.

Shanghai, November 8, 1917.

DEAR SIR,—We beg to acknowledge receipt of your letter of the 5th instant informing us that the Council would be willing to pay at the assessed value plus 10 per cent. for compulsory surrender for the land required to round off the corner of Cadastral Lot 2985 on the Yangtzeppoo Road and noting that should the claim of the beneficial owner at the rate of Tls. 2,500 per mow be accepted by the Council the assessment of the whole lot would be raised to the same figure.

We have seen the beneficial owner and he instructs us to state that although the assessed value of the land throughout is at Tls. 1,800 per mow it does not follow that the land fronting the Yangtzeppoo Road should be valued at the same figure. Tls. 1,800 was evidently taken to be the average value of the property having been arrived at for convenience by valuing one-half of the land at the back at Tls. 1,000, and one-half of the land in the front at Tls. 2,500 per mow.

In order that the matter may be settled amicably we suggested to the owner that he should claim a lump sum of say Tls. 600 for the 2 portions which he agrees and we should be glad if the Council could see their way to accept this offer.

Yours truly,
HANSON, McNEILL, JONES & WRIGHT.

N. O. LIDDELL, Esq.
Acting Secretary, Municipal Council.

Council Room, Shanghai, November 21, 1917.

GENTLEMEN,—In reply to your letter of November 8, with further reference to Lot 2985, Whashing Road, I am directed to state that the Council cannot agree that any compensation whatever is payable for the small area, measuring Mow 0.185, required for extending the Whashing Road. The compensation offered for the corner of Yangtzeppoo and Whashing Roads is Tls. 341.

If the beneficial owner is unable to agree to this amount of compensation will you please be good enough to sign and return the plan forwarded you, so that the question whether any compensation at all is properly payable, in view of the pronounced benefit to this property by the construction of the Whashing Road, may be decided by the Land Commissioners.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. HANSON, McNEILL, JONES & WRIGHT.

Shanghai, December 6, 1917.

DEAR SIR,—We beg to acknowledge receipt of your letter of the 21st ultimo, informing us that the Council would not agree to pay compensation for the small area measuring Mow 0.185 on the Whashing Road but that compensation amounting to Tls. 341 would be paid for the land at the corner of the Whashing and Yangtzeppoo Roads.

We have seen the beneficial owner of the property and he instructs us to adhere to his claim made in our letter to you of October 22 last in respect of the land at the corner of the Yangtzeppoo and Whashing Roads and to agree that the matter be referred to the Land Commissioners.

We return herewith the plan you sent us with the registered owners signatures subscribed thereto.

Yours truly,
HANSON, McNEILL, JONES & WRIGHT.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

LAND COMMISSION.

CASE No. 117.

AWARD.

The Council is represented by its Assistant Secretary, Mr. E. S. B. Rowe, the Municipal Engineer being in attendance: Mr. Geo. Lindsay appears on behalf of Messrs. Hanson, McNeill, Jones & Wright, the registered owners.

The Assistant Secretary states that as regards the piece of land at the corner of Yangtszepoo and Whashing Roads the Council has offered compensation which he submits is fair, namely, the assessed value, plus 10 per cent, for compulsory surrender: as regards the piece of land further to the north on Whashing Road, the Council considers that the betterment which will accrue to the property by the provision on the eastern frontage of the land of a Municipal road is so marked as to warrant free surrender. He contends that even were the scheduled area much larger than it is, the Council would still press for a free surrender since it is obvious that with the existing inadequate road frontage, development of this property in a proper manner is impossible without setting aside a large part of the lot to provide access. He quotes a number of cases in the past in which owners have made similar surrenders in like circumstances, particularly the recent decision of the Commissioners last year in the case of Moulmein Road, Case 112.

Mr. Lindsay submits that the making of the Whashing Road on the eastern frontage will benefit the public more than the owner, but in order that the road may proceed he is willing to surrender the necessary land at the assessed value with ten per cent. additional for compulsory surrender. For the piece at the corner of Yangtszepoo Road he argues more than the assessment figure should be paid because in his opinion, when valuing the site, the Land Assessors probably gave an average value over the whole area, while it is obvious that the front portion must be of more value than the back portion.

The Assistant Secretary accepts the view that the value of any part of the lot is in direct relation to its distance from the road, and adds that such being the case, it follows that excision of a strip of land for widening the road, bringing the rearmost parts of the lot so much the nearer to the road, increases their value accordingly, thus leaving the valuable parts of the lot exactly as they were before, so that according to Mr. Lindsay's own contention, the compensation should be calculated on the value of the least valuable part of the lot, *i.e.*, less than the Council had offered.

Mr. Lindsay replies that in any case the property was purchased many years ago, that it is not profitable now, and never has been profitable, to which the Assistant Secretary suggests that the construction of a fine new road on the eastern boundary of the property will now perhaps afford opportunity of at last making it profitable.

Both parties having withdrawn, the Commissioners decide as follows:—

That as regards the Yangtszepoo Road corner, the land shall be surrendered on the terms offered by the Council, at the assessed value Tls. 1,800 per mow plus ten per cent. for compulsory surrender, or Tls. 340.56 for Mow 0.172.

That as regards the back part of the lot, provision of the Whashing Road will undoubtedly facilitate its development and afford beneficial road access in such manner as to justify the Council's claim for a free surrender. The area in question, Mow 0.185 will accordingly be surrendered without monetary compensation.

A. D. BELL,	} Land Commissioners 1917/8
H. G. SIMMS,	
A. BROOKE SMITH,	

L. G. WESTCOTT,
Secretary.

WUCHOW ROAD.—

Road construction operations opposite the Wuchow Road Market necessitated removal of a house on a piece of unregistered land, which projected into the roadway and Tls. 35 was paid therefor.

YANGCHOW ROAD.—

In accordance with the request of Messrs. Atkinson & Dallas, Ltd., contained in the subjoined correspondence, the question of the compensation, if any, payable in respect of the scheduled area of Lot 3180 was referred for settlement by the Land Commissioners, whose award is appended.

Shanghai, March 31, 1916.

DEAR SIRS,—In accordance with your verbal request, I beg to hand you herewith a plan showing in red the area required from Cadastral Lot 3180 for the Yangchow Road Extension. In view of the improvement resulting to the lot by the construction of the road, I shall be obliged if you will inform me whether you will be prepared to make a free surrender of the necessary road area.

Pending settlement of negotiations for the land, would you be so kind as to allow the Council to proceed with the construction of the road through your property?

Yours faithfully,
CHAS. H. GODFREY,
Engineer and Surveyor.

Messrs. ATKINSON & DALLAS, LD.

Shanghai, May 20, 1916.

DEAR SIR,—In reply to your letter of March 31, we are instructed by the beneficial owner to state that he is not prepared to surrender free, the portion measuring Mow 0.276 ex Cadastral Lot 3180, as he does not consider he will gain any advantage by the road being metalled, he having already spent a certain amount of money in having the road made up for the use of his tenants. He is, however, willing to surrender on the usual terms, i.e., assessed value plus 10 per cent. for compulsory surrender.

We regret we cannot allow the Council to proceed with the construction of the road until we have agreed upon the terms of the surrender.

We are, yours faithfully,
ATKINSON & DALLAS, LD.

C. H. GODFREY, Esq.,
Engineer and Surveyor.

Council Room, Shanghai, May 29, 1916.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of May 20 to the Municipal Engineer on the subject of the surrender from Lot 3180 of the land required for the construction of the Yangchow Road. In reply thereto I am directed to state that inspection of the plan shows that the construction of this road is essential to the development of this property and the Council is of opinion that a surrender of the requisite strip of land should be made without monetary compensation.

It is to be remembered that the Council has made a special concession with regard to this land by reducing the scheduled width by 5 feet in accordance with your request in April 1914.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. ATKINSON & DALLAS, LD.

Council Room, Shanghai, February 28, 1917.

GENTLEMEN,—I am directed to refer to the Council's letter to yourselves of May 29, 1916, on the subject of the surrender from Lot 3180 of land for the Yangchow Road, and to request that you will be good enough to give this matter your consideration.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

Messrs. ATKINSON & DALLAS, LD.

Council Room, Shanghai, May 11, 1917.

GENTLEMEN,—I am directed to refer to the Council's letter to yourselves of May 29, 1916, on the subject of the surrender from Lot 3180 of land for the Yangchow Road, and to request that you will be good enough to give this matter your consideration.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Messrs. ATKINSON & DALLAS, LD.

Shanghai, May 23, 1917.

DEAR SIR,—In reply to your letter of the 11th instant we shall be obliged if you will place this matter before the Land Commissioners as the beneficial owner is not prepared to make a free surrender of same.

We are, yours faithfully,
ATKINSON & DALLAS, LD.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

LAND COMMISSION.

CASE No. 116.

AWARD.

The Council is represented by its Assistant Secretary, Mr. E. S. B. Rowe, the Municipal Engineer being in attendance: Mr. R. M. Saker appears on behalf of Messrs. Atkinson & Dallas, Ltd., the registered owners.

The Assistant Secretary states that the Council's case is fully set out in the correspondence, and briefly, is to the effect that as the lot is situated, the construction of the new Yangchow Road is necessary to its proper development, and accordingly the Council has called for the surrender of the strip of land required for this road without monetary compensation. He further points out that the owners on the opposite side of the road have already agreed to surrender the area required for their property and cites other similar cases of surrenders made voluntarily for road purposes.

Mr. Saker remarks that the making of the new Yangchow Road is really of no advantage to the beneficial owner since he has already some access to his property from Thorburn Road, and in addition, although on the plans submitted it would appear that the frontage on Thorburn Road is largely cut off by a triangular plot of land intervening between it and the road, in the registered ownership of the Catholic Mission, this property really belongs to his client so that the two lots treated as one, possess a frontage throughout their length on Thorburn Road, and a further frontage on Yangchow Road is not required. The Assistant Secretary replies that the Council necessarily deals only with the registered owners of properties, and cannot recognise alleged beneficial ownerships, and further that even if the owner of Lot 3180 had acquired a full frontage on Thorburn Road, the construction of Yangchow Road, by converting it into a valuable corner site, must appreciate its value to such an extent as to warrant recognition of betterment in the terms of surrender.

Both parties having withdrawn, the Commissioners decide as follows :—

That by reason of the construction of Yangchow Road, betterment does accrue to the property, but not to such an extent as to involve a free surrender. The area scheduled for the road shall therefore be surrendered to the Council at the assessed value, plus 10 per cent for compulsory surrender and less one-third for betterment, as follows :—

Assessed value of Lot 3180—Tls. 2,000 per mow	
Area to be surrendered, Mow 0.276 at Tls. 2,000 per mow	Tls. 552.00
add 10 per cent.	55.20
	607.20
Less 1/3 betterment	202.40
	Tls. 404.80

A. D. BELL,	} Land Commissioners 1917/18.
H. G. SIMMS,	
A. BROOKE SMITH,	

L. G. WESTCOTT,
Secretary.

WESTERN DISTRICT.**AVENUE EDWARD VII, CHEKIANG AND HOOPEH ROADS.—**

The claim of Messrs. Hanson, McNeill, Jones and Wright has been accepted for the surrender of the land required for the rectification of the line of the Avenue Edward VII and improvement of the corners of the adjacent roads, a total area of Mow 0.788. A strip of the former Sungkiang Road measuring Mow 0.177 is available for inclusion in the lot, leaving a balance of Mow 0.561 as the net area upon which compensation will be paid, at the assessed value, Tls. 22,000 per mow, plus ten per cent. for compulsory surrender, or a total payment in respect of this transaction of Tls. 13,576.

AVENUE EDWARD VII AND THIBET ROAD.—

Lot 1340, a small piece of land required to improve the corner of these roads, was surrendered by Messrs. Atkinson and Dallas, Ltd., at the assessed value Tls. 4,500 per mow or Tls. 909 for Mow 0.202.

BUBBLING WELL ROAD.—

A piece of unregistered land opposite Lot 2945 has been acquired for widening this road, at the assessed value of adjacent property, Tls. 5,500 per mow, less one-third for betterment or Tls. 726 for Mow 0.198.

BUBBLING WELL AND PARK ROADS.—

Under arrangement with Rev. Father G. Castrillo the corner of Lot 201 was surrendered at the assessed value Tls. 16,000 per mow, plus ten per cent. for compulsory surrender or Tls. 352 for Mow 0.020.

FERRY ROAD.—

A small piece of unregistered land at the north-east corner of Robison Road has been purchased for the widening of this road to 50-feet, at the proclamation price, Tls. 200 per mow or Tls. 41 for Mow 0.205. The plan and relative deed of surrender have been forwarded as usual through the Senior Consul to the Chinese Government Land Office for record.

FERRY AND NANYANG ROADS.—

The offer of Mr. A. J. Welch was accepted to surrender, without monetary compensation, the corner of Lot 2831, measuring Mow 0.043.

HARDOON ROAD.—

The amended claim of the Shanghai Land Investment Co., Ltd., was accepted for the surrender of the scheduled area of Lot 2813 at the assessed value, Tls. 3,500 per mow, plus 10 per cent. for compulsory surrender or Tls. 3,272 for Mow 0.85, with Tls. 1,000 added as compensation for the removal of outhouses, etc.

HUNGJAO ROAD.—

The offer of the Tung Wen College was accepted to contribute two-thirds of the estimated cost of ballasting and metalling a 12-ft. strip of this road from Siccawei Road to the site of the College. The cost of the necessary mud filling was Tls. 2,000, and the cost of ballasting and metalling Tls. 5,040 of which Tls. 3,360 has been paid by the College Authorities.

KIAOCHOW AND CONNAUGHT ROADS AND SURPLUS LAND.—

Negotiations with the Chinese owner were concluded for the purchase of a small piece of unregistered land at the corner of these roads measuring Mow 0.341 for the sum of \$400. Of this area, Mow 0.070 has been included in the roadway, and the balance Mow 0.271 is available for use or re-sale hereafter as surplus land.

MANILA ROAD.—

Correspondence with Messrs. Algar & Co., Ltd., relative to the surrender from Lot 1764 of the area required for road purposes and inclusion within the building line of a small surplus area in Avenue Edward VII :—

Shanghai, May 19, 1916.

DEAR SIRS,—I shall feel obliged if you will kindly inform me upon what terms you will be prepared to surrender, should the Council decide to acquire it, that portion of B.C. Lot 8066 which is scheduled for acquisition on the official plan of Road Extensions and Widening, measuring Mow 0.422, and coloured red on the accompanying plan. The portion coloured yellow and measuring Mow 0.006 can be incorporated in the lot when building operations take place.

Yours obediently,
CHAS. H. GODFREY,
Engineer and Surveyor.

Messrs. ALGAR & Co., LD.

Shanghai, May 20, 1916.

DEAR SIR,—We beg to acknowledge receipt of your favour of yesterday's date, enquiring upon what terms we will be prepared to surrender, should the Council decide to acquire it, that portion of B.C. Lot 8066 which is scheduled for acquisition for the Manila Road widening, measuring Mow 0.422, and coloured red on the plan accompanying your letter.

We are instructed by the beneficial owner, to inform you that he purchased this lot last month at the rate of Tls. 7,600 per mow, and that he is prepared to surrender the land required at the same rate plus 10 per cent. for compulsory surrender. He is not, however, prepared to admit betterment and as it is very obvious that the remainder of the land is not bettered by this surrender, does not suppose that the Council will claim it. His claim, therefore, will be as follows :—

Mow 0.422 less Mow 0.006 (being the area of that portion of the road coloured yellow, which

you will allow to be incorporated in the land when building operations take place), viz.

Mow 0.416 at Tls. 7,600 per mow

Plus 10 per cent. for compulsory surrender

Tls. 3,161.60

„ 316.16

Total claim Tls. 3,477.76

Yours faithfully,
ALGAR & Co., LD.

CHAS. H. GODFREY, Esq.,
Engineer and Surveyor.

Council Room, Shanghai, May 30, 1916.

GENTLEMEN,—I am directed to acknowledge the receipt of your letter of May 20, to the Municipal Engineer, on the subject of the surrender of the area scheduled for the Manila Road ex Lot 1764. In reply thereto I am directed to state that the Council agrees to the contention that no deduction should in this case be made for betterment but is of opinion that if the statement of the beneficial owner is correct that the property was bought last month at Tls. 7,600 per mow, this was an exceedingly high price. In ordinary circumstances, the compensation payable for the road land would be at the present assessed value. As a special case, however, I am directed to offer you compensation at the valuation which will be placed on the property under the new assessment, to come into force on January 1, 1917, plus ten per cent. for compulsory surrender.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. ALGAR & Co., LD.

Shanghai, May 31, 1916.

DEAR SIR,—We beg to acknowledge receipt of your favour of yesterday's date, on the subject of the surrender of the area scheduled from Cadastral Lot 1764 W. for the Manila Road widening.

We note that the Council agrees in the contention that no deduction should, in this case, be made for betterment. It would appear that you doubt the statement that the property was acquired by the present owner last month at the rate of Tls. 7,600 per mow. We are instructed to inform you that the owner is prepared to produce documentary evidence that the statement is a correct one, if you require it. You state that in ordinary circumstances the compensation payable for the land required would be at the present assessed value, but we would point out that this value, viz., Tls. 3,500 per mow, was made when the land came under registration, to conform with the assessed values of land adjoining, and which was made in 1911. We suggest that the 1911 assessed values do not apply now, a statement which is substantiated by the fact that a re-assessment of values is at present taking place.

Under the above circumstances, we are directed to decline your offer for compensation at the valuation which will be placed on the property under the new assessment, which is to come into force in January 1917, plus 10 per cent for compulsory surrender, on the ground that our claim is based on actual figures.

We are also directed to state that the owner of the lot is quite prepared to pay taxes on the remainder of the lot, on a value of Tls. 7,600 per mow.

Yours faithfully,
ALGAR & CO., LD.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, June 17, 1916.

GENTLEMEN,—In reply to your letter of May 31, with further reference to the terms of surrender from Lot 1764 of the area required for the Manila Road, I am directed to state that the amount of compensation which can be paid from the public funds for land for road purposes is the fair market value, as shown by the price of other land in the vicinity. The Council cannot agree that the sum for which this property is believed to have been purchased is truly the market value.

Notice of public requirements is necessarily given in advance by publication of the Official Plans of Road Extensions and Widening: if compensation for land were to be paid on the basis of a recent sale rather than the market value, an opening for grave abuse would be created. Even where the genuine character of the purchase is abundantly proved, the hope of obtaining compensation on such a basis must inevitably re-act upon the price. Though the Council wishes by no means to question the bona-fides of the transaction, nevertheless it cannot but note that in this instance the alleged purchase, presumably between Chinese owners, did in fact take place after the widening was scheduled, and after it was a matter of general knowledge that the major part of the lot was liable to compulsory expropriation. If it be possible to give a good reason, in this instance, for the payment of so high a price by an individual, this nevertheless could not justify any departure from the generally accepted principles relating to payment of compensation for road land.

I am directed, therefore, to state that if the terms offered in my letter of May 30 are not acceptable, the Council would prefer to leave the matter of the compensation, if any, payable in respect of this lot, to be settled by the Land Commissioners.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. ALGAR & CO., LD.

Shanghai, June 21, 1916.

DEAR SIR,—We beg to acknowledge receipt of your favour of the 17th instant in connexion with the Manila Road widening.

It would appear that the Council cannot bring itself to believe that the rate of Tls. 7,600 per mow is a "fair market value" for Lot 1764 W. We submit that the Council do not realize the enormous increase in values in this vicinity especially as it has only the assessed values arrived at in 1911, which was at the rate of Tls. 3,500 per mow to guide it.

We admit that this lot was acquired by the present owner, after the land was scheduled for acquisition and while the owner is presumed to have had knowledge of the fact, we know that he had not. To substantiate this statement, we are prepared to produce for your inspection, a contract for the sum of Tls. 4,600 for the erection of the fifteen houses, for which an application for a building permit was made.

One-half of these houses he had let at rents, which considering the better position, compared most favourably with those of the houses on the opposite side of the road, and estimated that he could obtain the same rental for the un-let shops. The total rental came to \$130 which at 12½ Moons represents \$1,603 per annum, or at Ex. 73 Tls. 1,170 gross per annum. After making an allowance for 25 per cent. to cover expenses, this would represent Tls. 878 net per annum, which amount capitalized at 7 per cent., amounts to Tls. 12,557 being the value of the property when completed.

If we deduct from this amount the cost of the buildings, viz: Tls. 4,600 we have the sum of Tls. 7,957 left, as representing the value of the land, consisting of an area of Mow 0.642 or say at the rate of Tls. 12,390 per mow.

We again submit that this case is one for special consideration and treatment and we trust the Council will be good enough to reconsider the matter.

Yours faithfully,
ALGAR & CO., LD.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, July 8, 1916.

GENTLEMEN,—In reply to your letter of June 21 with further reference to the surrender from Lot 1764 of the area required for the Manila Road, I am directed to state that the disparity between your claim and the amount the Council is willing to pay is so great that there appears to be no option but to refer this matter for settlement by the Land Commissioners.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. ALGAR & CO., LD.

Shanghai, July 10, 1916.

DEAR SIR,—We are in receipt of your letter of the 8th instant and note that, owing to the disparity between our claim and the amount the Council is willing to pay, being so great, you consider that there appears to be no option, but to refer this matter for settlement by the Land Commissioners.

In reply we beg to inform you that we agree to this course, and shall feel obliged if you will have the case set down for hearing at an early date.

J. B. MACKINNON, Esq.,
Acting Secretary, Municipal Council.

Yours faithfully,
ALGAR & CO., LD.

Shanghai, January 22, 1917.

DEAR SIR,—In view of the fact that Cadastral Lot 1764, Manila Road, has now been re-assessed at Tls. 7,000 per mow, we venture to hope that you can now recommend the acceptance, by the Council, of our claim of Tls. 3,477.76 for compensation, as contained in our letter to you dated May 20, 1916.

This claim was based on the actual purchase price of the lot, viz., Tls. 7,600 per mow, and as we understand the Council is prepared to pay compensation based on the new assessed value, it would appear unnecessary to refer the matter to the Land Commissioners as the difference is so small.

C. H. GODFREY, Esq.,
Engineer and Surveyor.

Yours faithfully,
ALGAR & Co., LD.

Council Room, Shanghai, February 6, 1917.

GENTLEMEN,—In reply to your letter of January 22 to the Municipal Engineer on the subject of Lot 1764 Manila Road, I am directed to state that, in the circumstances, the Council accepts the claim for compensation contained in your letter dated May 20, 1916, thereby obviating the necessity for reference of this case to the Land Commissioners. The amount payable therefore will be Tls. 3,477 in respect of Mow 0.422, and permission is granted to yourselves to include within your building line the surplus area in Avenue Edward VII measuring Mow 0.006.

I am, Gentlemen, your obedient servant,
N. O. LIDDELL,
Assistant Secretary.

Messrs. ALGAR & Co., LD.

Shanghai, February 7, 1917.

DEAR SIR,—We beg to acknowledge receipt of your favour of yesterday's date, on the subject of the Manila Road Widening—Cadastral Lot 1764, and note that the Council now accepts our claim for compensation as contained in our letter dated May 20, 1916, addressed to the Municipal Engineer.

We note that the amount payable will be Tls. 3,477 in respect of Mow 0.422 and permission is granted to us to include within the building line a surplus area in Avenue Edward VII measuring Mow 0.006.

We shall feel obliged if you will have the Surrender Deeds prepared and forwarded to us for signature.

N. O. LIDDELL, Esq.,
Assistant Secretary, Municipal Council.

Yours faithfully,
ALGAR & Co., LD.

The following correspondence with Messrs. Davies and Brooke is in continuation of that published in the Reports for 1914 and 1915, pp. 60-63B and 57-58B respectively.

The question of the amount of compensation payable will be referred to the Land Commissioners for decision :—

Council Room, Shanghai, June 20, 1916.

GENTLEMEN,—With reference to my letter of March 23, 1915, on the subject of the widening of the Manila Road ex Lot 1766, I am directed to inform you that the Council desires to proceed with the expropriation of the scheduled area and to request that you will be so good as to make your claim therefor.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. DAVIES & BROOKE.

Council Room, Shanghai, August 4, 1916.
GENTLEMEN,—I am directed to refer to my letter to you of June 20 with reference to Lot 1766, Manila Road, and to request that you will be so good as to give this matter the favour of your early attention.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. DAVIES & BROOKE.

Council Room, Shanghai, October 9, 1916.

GENTLEMEN,—I am directed again to refer to my letter to you of June 20 with reference to Lot 1766, Manila Road, and to request that you will be so good as to give this matter the favour of your early attention as the removal of certain electric light poles and overhead cable, which form an obstruction to the work of the French Council on this road, is awaited.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. DAVIES & BROOKE.

Shanghai, October 20, 1916.

DEAR SIR,—Replying to your letter of the 9th instant we are preparing our claim for compensation with respect to Cadastral Lot 1766, Manila Road, and hope to forward it to you very shortly.

We are, yours faithfully,
DAVIES & BROOKE.

J. B. MACKINNON, Esq.
Acting Secretary, Municipal Council.

Shanghai, November 3, 1916.

DEAR SIR,—In reply to your letters of August 4 and June 30, we beg to inform you that our clients have carefully considered your proposal, and have reached the conclusion that instead of surrendering the area required, they prefer to dispose of the whole property.

Our clients contend that the loss of the area required for road widening will leave a triangular portion fronting the road which is only capable of development by irregular shaped houses that would be difficult to let, even at greatly reduced rentals, and that such development would involve considerable wastage of land, thus materially reducing the value of the lot after surrender of the area required.

Should the Council insist on acquiring the portion required for road widening, we are instructed to offer the whole of our clients property as shown on the plan accompanying this letter.

The price our clients require for the property is Tls. 59,025.81, a sum which represents the present rental of the property capitalized at 6 per cent. with 10 per cent. added for compulsory sale or Municipal Debentures which will produce annual income of Tls. 3,541.54.

As our clients entirely depend upon the income derived from the property, we are of opinion that their claim is quite reasonable and justified. We give below a list of the houses together with the rentals which you will no doubt be able to verify from the data available at the Municipal Tax Office.

Monthly rents of houses Cadastral Lot 1766, Manila Road :—

No. 462/3	\$10.00
" 462 (Gate house)	3.00
" 465	26.00
" 466/76 (11 houses at \$12.00)	132.00
" 477	19.00
" 478	11.00
" 479/88 (10 houses at \$12.00)	120.00
" 489/92 (Shops)	40.00
" 493/5 (3 houses at \$12.00)	36.00
496 formerly \$60	now 50.00

Total \$447.00 per Chinese moon

*12.1/3	5,513.00 per annum
Less 20% expenses and charges	1,102.60
Nett rents per annum	\$4,410.40
At Exchange 73	Tls. 3,219.59
Plus 10% for compulsory surrender	" 321.95
Total Tls.	3,541.54

Yours faithfully,
DAVIES & BROOKE.

J. B. MACKINNON, Esq.
Acting Secretary, Municipal Council.

Council Room, Shanghai, November 22, 1916.

GENTLEMEN,—In reply to your letter of November 3, on the subject of the widening of Manila Road ex Lot 1766, I am directed to state that the Council does not accept the offer to sell the entire area of Mow 3.6 for Tls. 59,025.81, because only a small part of the property is needed.

The Council is not in agreement with the contention that the surrender will depreciate the value of the property; in fact the bulk of it, lying north of the line A-B on the plan enclosed herewith, is hardly affected. In the sections south of this line, the requisite surrender will involve re-arranging the shops, but you are aware that the owner was cognisant of this when the shops were built.

In the circumstances, I am directed to state that the Council is willing to pay in full settlement of all claims for the scheduled area, a lump sum of Tls. 6,875 without prejudice however to any contention, in the event of proceedings before the Land Commission, that re-instatement charges are not payable.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. DAVIES & BROOKE.

Shanghai, December 5, 1916.

DEAR SIR,—We are in receipt of your letter dated November 22 last, and in reply we have to inform you that our client cannot consider the counter-offer which you make of Tls. 6,875, as this sum is quite inadequate to compensate him for the proposed surrender.

Yours faithfully,
DAVIES & BROOKE.

J. B. MACKINNON, Esq.
Acting Secretary, Municipal Council.

Council Room, Shanghai, December 11, 1916.

GENTLEMEN,—In reply to your letter of December 5 on the subject of the surrender of the scheduled area of Lot 1766, Manila Road, I am directed to inform you that in the circumstances, the Council is of opinion that there is no alternative but to refer the matter for settlement by the Land Commission, notice of whose sitting to consider this case will be conveyed to you in due course.

I am, Gentlemen, your obedient servant,
J. B. MACKINNON,
Acting Secretary.

Messrs. DAVIES & BROOKE.

MANILA AND GREAT WESTERN ROADS.—

The claim of Mr. W. Brandt has been accepted for the area of Lot 1763 required for the Manila and Great Western Roads at the assessed value of Tls. 6,000 per mow plus 10 per cent. for compulsory surrender, involving payment of Tls. 1,353 for a net area of Mow 0.205.

MOULMEIN ROAD.—

The area required from Lot 2215 for this road was acquired at the rate of Tls. 5,500 per mow, or Tls. 7,408 for Mow 1.347 with Tls. 2,000 added as compensation for the removal of out-houses.

SEYMOUR ROAD.—

A give and take line was arranged with Mr. J. R. Elias in respect of the line of Great Western Road and an improved corner of Lot 2411, involving payment for the excess area of the land surrendered at the assessed value, Tls. 3,500 per mow, plus 10 per cent. for compulsory surrender or Tls. 296 for Mow 0.077 with Tls. 660 additional as the cost of re-building the wall and re-arranging the garden.

SEYMOUR AND WEIHAIWEI ROADS.—

Mr. R. E. Toeg surrendered the corner of Lot 2398 at the assessed value, plus 10 per cent. for compulsory surrender or Tls. 108 for Mow 0.028 with reimbursement of the cost of reinstating the boundary wall and gates.

SINGAPORE ROAD, SURPLUS LAND.—

In the course of the negotiations in 1911 for purchase of the Chinese owned land required for this road, a piece of surplus land was acquired by the Chinese broker and was registered as B.C. Lot 8916. An offer to sell this land for Tls. 1,100 per mow was met by a counter offer of Tls. 900, which was accepted, involving a payment of Tls. 1,940 for Mow 2.156.

WUTING ROAD.—

Arrangements were concluded with Mr. H. Browett for the surrender of the scheduled strip of Lot 3588, at the assessed value, Tls. 2,000 per mow, plus 10 per cent. for compulsory surrender, or Tls. 693 for Mow 0.315.

YATES AND GREAT WESTERN ROADS.—

Through the good offices of the Bank of Taiwan, Ltd., arrangements were made for the surrender of the land required from Lot 1803 to improve this corner at the assessed value, Tls. 4,000 per mow, with 10 per cent. added for compulsory surrender and Tls. 100 extra as re-instatement charges, or Tls. 575 in respect of Mow 0.108.

LAND COMMISSION.

The constitution of the Commission for the year 1917-18 has been as follows :—

Mr. H. E. Campbell was re-elected in January as the Council's representative and consented to serve. Mr. Campbell resigned his seat in August, upon his departure from Shanghai, and Mr. A. D. Bell was nominated to fill the vacancy.

Mr. H. G. Simms being again the only nominee proposed by registered land owners was considered to be elected as Commissioner.

At the Ratepayers' meeting in March, Mr. A. Brooke-Smith, proposed by Mr. Brodie A. Clarke, and seconded by Mr. J. Liddell, was re-elected a Commissioner.

Meetings of the Commission were held on January 16 and December 27 at which four cases of expropriation of land for public use were submitted for decision. The awards of the first meeting were recorded with the relative correspondence in last year's Report, and of the later meeting, in this year's Report under the heading "Road Extensions and Widenings."

Meeting of January 16, 1917.

Case 109	A. P. Stokes	Tengyueh Road.
" 112	Shanghai Land Investment Co., Ltd.	Moulmein Road.

Meeting of December 27, 1917.

Case 116	Atkinson and Dallas, Ltd.	Yangchow Road.
" 117	Hanson, McNeill, Jones and Wright	Whashing Road.

The following interchange of letters records the Council's regret at the lamented death of Mr. H. L. Hutchinson, Secretary to the Land Commission. Mr. L. G. Westcott has since been appointed to fill the vacant position.

Council Room, Shanghai, July 24, 1917.

SIR,—I am directed to convey to you an expression of the Council's deepest sympathy in the sad loss that has befallen the Land Commissioners in the death of the late Mr. H. L. Hutchinson on July 20.

Since Mr. Hutchinson's appointment as Secretary of the Land Commission, his duties have always been performed with courtesy and ability, and have thereby facilitated in large measure the work of the Commissioners and the Council. In recording its sense of personal loss, the Council desires me to convey to you an expression of its sincere condolence.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Assistant Secretary.

H. G. SIMMS, Esq.
For Chairman, Land Commission.

Shanghai, July 28, 1917.

SIR,—I have to acknowledge receipt of your letter dated 24th inst., conveying the Council's sympathy in the loss which the Land Commission has sustained through the sad death of their Secretary, Mr. H. L. Hutchinson. On behalf of my colleagues I beg to thank you for this expression of sympathy and fully endorse the Council's appreciation of the manner in which Mr. Hutchinson carried out his duties.

I am, Sir, your obedient servant,
H. G. SIMMS,
For the Land Commissioners.

E. S. B. ROWE, Esq.,
Assistant Secretary, Municipal Council.

PARKS AND OPEN SPACES.

THE PARKS COMMITTEE.

The members of the Parks Committee were re-nominated as follows :—

Mr. E. JENNER HOGG (*Chairman*).

Rev. Bro. FAUST.

Mr. P. PEEBLES.

The various questions connected with the Parks and Open Spaces have received the Committee's careful attention during the year.

PUBLIC RECREATION GROUND.

Committee.—The Committee of Management of the Ground at the close of 1917 is as follows :—

Dr. N. MACLEOD, *Chairman*.

Messrs. W. S. JACKSON, *Steward of the Race Club*.

W. L. MERRIMAN, *Member of Council*.

C. W. WRIGHTSON, *Representative of the Recreation Fund Trustees*.

P. PEEBLES.

G. LANNING, *Honorary Secretary*.

A code of General Regulations for the control of the Ground, suggested by the Committee of Management has received the Council's provisional approval, as under :—

GENERAL REGULATIONS.

- 1.—With the exception of certain hours when training or racing is in progress, and subject to the decision of the Committee, the ground is open to the public at all times.
- 2.—Only properly organized games are, however, permitted, and for these the Committee allot certain spaces to approved Clubs.
- 3.—Permits to use these spaces hold good for one season only and may, at the will of the Committee, be withdrawn at any time.
- 4.—Players must confine themselves as closely as possible to their allotted space, and as far as possible avoid interference with the play of other Clubs.
- 5.—Such playing spaces are to be used for purposes of athletic sport only, and Club Committees are required to see that no objectionable practices of any kind are permitted.
- 6.—Clubs may, with the permission of the Ground Committee and at their own expense, put up matsheds or other approved structures, and they must, also at their own expense, remove them when called on to do so.
- 7.—Clubs or members of Clubs playing when a notice is posted closing the ground will risk the withdrawal of their permit.
- 8.—Visitors and non-members of Clubs may play with members, but no non-members shall be permitted to play without the sanction of the Club concerned, and such Club shall be responsible for such non-member's observance of these regulations.
- 9.—The Committee may at their discretion permit an entrance fee to be charged to view any game played on the Public Recreation Ground, and may permit the erection of a fence round any portion thereof in connexion with such, or other, purpose, and thus suspend for the time being the privileges of the Club to whom that portion has been allotted, but the right of the public to enter other portions of the Ground at the same time without payment will remain, and will only be withdrawn by the Committee under circumstances of unusual character.

PUBLIC GARDEN AND RESERVE GARDEN.

Revised Regulations were adopted as under :—

REGULATIONS.

- 1.—The Gardens are reserved for the Foreign Community.
- 2.—The Gardens are opened daily to the Public from 6 a.m. and will be closed half an hour after midnight.
- 3.—No persons are admitted unless respectably dressed.
- 4.—Dogs and bicycles are not admitted.
- 5.—Perambulators must be confined to the paths.

- 6.—Birdnesting, plucking flowers, climbing trees, or damaging the trees, shrubs, or grass is prohibited; visitors and others in charge of children are requested to aid in preventing such mischief.
- 7.—No person is allowed within the Band Stand enclosure.
- 8.—Amahs in charge of children are not permitted to occupy the seats and chairs during Band performances.
- 9.—Children unaccompanied by Foreigners are not allowed in the Reserve Garden.
- 10.—The Police have instructions to enforce these regulations.

Council Room, Shanghai, September 13, 1917.

By order,
N. O. LIDDELL,
Acting Secretary.

STUDLEY PARK.

This Park having become public property, the following Regulations were issued :—

REGULATIONS.

1. The Park is reserved exclusively for the Foreign Community.
2. The Park is opened daily to the Public from daylight to dusk.
3. No persons are admitted unless respectfully dressed.
4. Dogs are not admitted.
5. The playing of organised games is prohibited; also the use of solid balls in children's games.
6. Birdnesting, climbing trees, or otherwise damaging the trees, shrubs, or grass is strictly prohibited; visitors and others in charge of children are requested to aid in preventing such mischief.
7. The Police have instructions to enforce these regulations.

Council Room, Shanghai, August 16, 1917.

By order,
N. O. LIDDELL,
Acting Secretary.

DEPARTMENTAL REPORT OF THE SUPERINTENDENT.

(To the Municipal Engineer.)

Experimental Work.—Further experiments carried out with local varieties of cotton resulted in robust plants giving an excellent yield, but little if any improvement in the staple. The object aimed at namely the production of long staple cotton which can be brought to perfection in a comparatively short season, will require persistent effort, as plant evolution is very slow, though quick results are sometimes obtained by hybridisation. A number of varieties (76) of Sweet Peas were sown with the object of ascertaining which gave the best results but, unfortunately, although the plants were well grown, continued wet weather in the flowering season practically ruined the test. A number of varieties of the oil bean were tested chiefly to ascertain the yield. There are many varieties of these plants grown locally, chiefly for food, oil being expressed from two kinds only.

In view of the possibility of a scarcity of foreign vegetable seeds, experiments with Chinese vegetables are in progress which it is hoped will be productive of definite and useful knowledge.

The Public Garden.—The number of visitors to this small garden appears to increase annually. Owing to the limited lawn space the turf becomes worn away early in the season to the detriment of the general appearance. Beyond the carpet bedding there was no special floral display. The Band concerts were well attended but the overcrowding and consequent disturbances detract very much from the pleasure of those who attend for the sake of the music alone. Owing to a number of undesirables visiting the Garden after midnight it was found necessary to close the gates between 12.30 and 6.30 a.m.

Reserve Garden.—From November 1916 to June 1917 the houses were well furnished. Pot plants are now nearly all cultivated at Jessfield Park as better results are obtained there. Owing to the high price of fuel greater use is being made of "hot beds" of manure and leaves for raising plants.

Chinese Garden.—Owing to the failure of a large proportion of the summer flowering plants a large number of chrysanthemums were planted and a record display resulted.

Public Recreation Ground.—Various alterations were effected which increased the playing space. The creek surrounding the Cricket Club Ground was culverted and the path following the line of the creek was widened and improved. A much appreciated improvement was the setting apart of a section for children in a position where they are out of danger from the games of other players.

Jessfield Park.—An additional section of this Park was developed, advantage being taken of the natural contour of the ground, the difference in level being further emphasised by crowning the heights with trees and shrubs. Special interest was shown in the Rose garden which now contains 165 distinct kinds, many of them are of recent introduction and gave excellent results. The chrysanthemum exhibition of seedling plants, numbering 5,000, brought many visitors, so also did the lilies when in flower. These latter consist of 12 kinds which were planted in clumps in the grass and partially shaded by trees. The number of bulbs was 2,000.

While a number of years must elapse before the Park contains a representative collection of Chinese shrubs and trees, additions are made annually, a number of new kinds were this year raised from seed acquired two years ago from Vilmorin's, Paris.

4,000 fong of soil was used in raising the new area which is now ready for development.

An interesting collection of seeds from "La Mortola" was presented by Mrs. Hanbury, Rhododendrons by Mr. A. L. Anderson, and young Ash, Birch, and Mountain Ash by Mr. Jenner Hogg.

Quinsan Square.—Owing to the crowding of this open space there is scant room for floral work. A bed of climbing roses planted in 1916 was very effective in the flowering season.

Hongkew Recreation Ground.—Beyond alterations to shrubs to allow them more space to develop, little alteration was effected. When this ground was first developed a large quantity of unfertile soil was employed in raising the site and consequently the growth of vegetation was unsatisfactory. Subsoil drainage and continued top-dressing has enriched the soil with particularly good results in the case of turf. Tennis proved the most popular game and an average of 50 courts were in daily use during the summer months.

Wayside Park.—Visitors were more numerous during the past year. The water lilies were again very effective. Although this open space is essentially a garden, the five tennis courts were well patronised.

Minor Spaces.—"The Point" garden, "Studley Park," Warren Piece, Bubbling Well Carriage Turn and other small areas were maintained in good condition; so also the gardens attached to various Municipal buildings.

Nurseries.—The most notable feature of the Nurseries was the collection of climbing roses raised from cuttings during the past two years. All plants grew well and the stock of shrubs and trees, especially of the rarer kinds, was increased.

Shade Trees.—The number of trees now growing on the roads exclusive of those in the Parks, etc., amount to 21,298, and owing to changing conditions it is deemed prudent at this juncture to review this phase of municipal activity. Most of these trees were planted between the years 1906—1912, and are now attaining a size, when alterations of their positions involve heading them down considerably consequently making them appear unsightly for a time.

Shade trees are planted on roads, where possible, because their cultivation in cities is highly beneficial in many ways. They aid materially in improving the health and attractiveness of cities and the increasing interest taken in them in most cities is a proof of their recognised value. From the health point of view, trees purify the air, absorbing the carbon dioxide exhaled by man and animals, and increasing the supply of oxygen, which is a chief essential of animal life. Thus the vegetable and animal kingdoms are the complement of each other; consequently the greater the mass of humanity on a restricted area, the greater the need for trees to render the air pure and fit to breathe. Trees considerably modify the intense heat during the Summer months, which in streets is greatly due to reverberation from walls and pavements. This modification of temperature is in part due to the shade given and in part to the rapid transpiration of the leaves. This beneficial action was recognised in New York in 1872, when the Board of Health made the following recommendations "that legislation be secured empowering and requiring the Department of Parks to plant and cultivate trees in all streets and avenues and public places." This recommendation was approved by the County Medical Society who passed the following resolution:—

"*Resolved.*—That one of the most effective means for mitigating the intense heat of the Summer months and diminishing deaths among children is the cultivation of an adequate supply of trees in the streets." Among other sanitary effects produced by street trees is the absorption and utilization as food soluble animal excrement and other soluble organic matter. In the absence of trees these organic compounds may give off noxious gases and form suitable nidus for the propagation of disease. This function is of course confined to roads made of mud and sand macadam, on roads paved with cement tar, there is insufficient percolation of water.

In the formation of the City Beautiful, which all town planners desire to produce, *i.e.*, a city which is not merely a business and manufacturing centre, but also a healthy and pleasant residential area, trees must necessarily be the most potent factor. Paris, which may claim to be the mother city of civic arboriculture is recognised as one of the World's most beautiful cities and it is frequently stated by visitors that her crowning glory is her majestic avenues. It is the trees which convert her wide roads into pleasing pictures, and mask her handsome buildings sufficiently to break the hard lines and enhance their beauty. The dominant feature of the proposed mall in Washington D.C. which, when completed, will probably be without a peer, is the rows of trees, to be planted.

Civic arboriculture may be defined as an attempt to establish, under almost impossible conditions, the charms of country lanes. Formerly, the conditions under which trees were cultivated were considered to be exceedingly bad and now, with the advent of impermeable road surfaces, conditions have become well nigh impossible. Although in Shanghai the atmosphere is not poisoned with sulphurous fumes to the same extent as it is for example in Manchester and Pittsburg (where even hard wooded trees begin to decay in the parks by the time they are 20 years old) yet, otherwise the conditions here are bad, numbers of trees cannot be successfully grown even in gardens owing to the high water level and, generally speaking, trees here must depend for their food on the first three feet of soil. On roads this surface consists of broken bricks, stone, chips, etc., substances which are far from being fertile, and the footpaths, almost without exception, are too narrow, whilst the road surface prevents effective aeration of the soil and evaporation of excessive moisture.

The essentials of plant life are light, air, water and fertile soil. High buildings prevent the trees having ample light. Eighty per cent of plant tissue is composed of carbon absorbed through pores in the leaves. This absorption is materially reduced by the pores being clogged up with dust, and growth is restricted. Whilst plant respiration is for the most part the inhaling of carbon, there is a converse action, the taking in of nitrogen, which is chiefly done through special pores (lenticells) which occur in number on the roots, therefore total exclusion of air from the roots would speedily asphyxiate the plant. This explains why impermeable road surfaces are injurious to trees.

With the advent of rapid moving vehicles, roads had to be built on a deeper and more solid foundation. These road beds occupy the greater portion of the upper three feet of soil, which is practically the only space the roots can live in. Further, these beds frequently consist of stone boulders, and stone chips more or less saturated with tar, which is poisonous to plants.

In Paris no trees are planted on streets bounded by tall buildings and which have footpaths less than 13 ft. wide. There also it has been proved, that for street trees to get enough light to develop vigorously, the buildings on a 68 ft. wide road should not exceed 35 ft. in height, and on streets having lines of buildings 65 ft. high they should be 125 ft. wide.

Apart from the action of dust, fumes, etc., the most destructive agencies are tree-boring insects and typhoons. A few years ago the "tree borers" were exceedingly destructive but by constant hand picking their numbers are now so much reduced that there is no reason to fear they will do material damage. As regards typhoons, there is not much that can be done to prevent uprooting. Foochow poles help to hold trees while they are young, but have no power to hold a large tree, and by reason of the high water level, the vertical roots, which naturally anchor the trees, cannot be developed, so all that can be done is to prune so to allow the wind to pass between the branches and to give the trees a good bed of rich soil to encourage a more massive root system.

So far the cost of planting and maintaining road trees in Shanghai has been comparatively speaking small, amounting to Tls. 4,000 in 1917. In Paris the appropriation for maintaining 86,000 trees is approximately \$160,000 a year. This sum however includes the cost of tree guards.

In the destruction of the symmetry of trees, the worst factor is the overhead wires. To clear the traffic, the stem of the trees must be about 18 feet high before it is allowed to form branches. Between the summit of the tree stem and some of the overhead wires is a space of about 15 feet which space is not sufficient to allow of the formation of a head which will provide shade, consequently the natural contour of the tree has to be ignored and the centre of the tree cut out to allow the wires to pass through. In the case of telephone wires the poles are taller and the load they carry small, but the number of electricity wires is increasing annually resulting in disfigurement of a great number of trees.

SPORTS—HONGKEW RECREATION GROUND.

Golf	9,041
Tennis	17,318
Football	1,910
Hockey	469
Baseball	981
Lawn Bowls	1,848
Cricket	188
Total number of Players	31,555
" " Non Players	101,381
Total number of Visitors	132,936

ROADSIDE TREES.

Trees pruned	23,995
" fastened	13,408
" staked	3,196
" topdressed	10,452
" transplanted	433
" planted	3,027
" uprighted	24
" numbered	17,546
Birdnests removed	560
Trees borers destroyed	14,699

TREES, SHRUBS AND HEDGE PLANTS PLANTED.

	Trees	Hedge Shrubs plants
Public Garden		105
Hongkew Recreation Ground		20
Jessfield Park	1,200	750 152
Wayside Park	31	
Hart Road Piece		26
Bubbling Well Carriage Turn		12
Victoria Nursing Home		256
Public School for Chinese	1	37
Public School for Boys	10	180
Gordon Road Police Station		8
Hongkew Police Station		20
	1,242	1,414 152

TREES, ETC., TRANSPLANTED.

Hongkew Recreation Ground	23	
Jessfield Park	108	17 200
Love Lane		306
Victoria Nursing Home		232 148
Municipal Gaol		15
Public School for Chinese		20
" " Boys		13
	131	297 654

PLANTS BEDDED OUT.

Public Recreation Ground	11,357
Hongkew Recreation Ground	9,910
Public Garden	59,695
Jessfield Park	6,752
Wayside Park	13,410
Soochow Road Foreshore	1,300
Quinsan Square	2,860
Victoria Nursing Home	1,790
Public Schools for Boys	1,180
" " Girls	960
" " Chinese	300
" Kungping Road	160
" Avenue Road	250
Thomas Hanbury Schools	1,650
Ellis Kadoorie School	220
Secretariat	970
Yangtsepoo Police Station	840
Sinza Police Station	1,280
Harbin Road Police Station	860
Bubbling Well Police Station	800
Hongkew Police Station	1,720
North Szechuen Road Police Station	400
Dixwell Road Police Quarters	240
	118,904

NURSERIES.

Trees and shrubs transplanted	26,464
Seedling plants transplanted	83,985
Young trees pruned	27,879
Cuttings inserted	52,190
Climbing plants trained	5,079
Land cultivated	Mow 178

TURF LAID.

Public Garden	321 fong
Public Recreation Ground	1,027 "
Hongkew Recreation Ground	169 "
Jessfield Park	1,500 "
Bund Foreshore	215 "
Quinsan Square	487 "
Bubbling Well Carriage Turn	6 "
Isolation Hospital	66 "
Municipal Gaol	166 "
Ellis Kadoorie School	192½ "
Public School for Chinese	394 "
" " Boys	52 "
Gordon Road Police Station	7½ "
Warren Piece	8½ "
Hart Piece	10½ "
Victoria Nursing Home	7 "
	4,629 fong

D. MACGREGOR,

Superintendent of Parks and Open Spaces.

ELECTRICITY MATTERS.

The constitution of the Electricity Committee at the beginning of the year was as follows :—

Messrs. A. W. Burkill (*Chairman*).

C. M. Bain.

C. G. S. Mackie.

P. Peebles.

A. S. P. White-Cooper.

Mr. Mackie resigned his seat in March and Mr. E. C. Richards accepted nomination to fill the vacancy. Mr. Bain resigned his seat in December, the vacancy had not been filled at the end of the year.

The Committee met fifteen times during the year for discussion of the affairs of the Department.

ANNUAL REPORT OF THE ACTING ENGINEER-IN-CHIEF AND MANAGER.

The year under review may be considered the most difficult one with which the Department has ever had to deal. The very serious breakdowns in November have been reported in the Municipal Gazette and it does not seem necessary to enlarge on them again. It was unfortunately necessary, owing to these breakdowns, to restrict the supply of power during the heavy load period from 4 to 10 p.m. for some considerable time, owing to plant shortage, and it was also considered advisable to cut off all sign and outside lighting; this lighting is still disconnected as it was considered that the demand for house lighting should have the preference until sufficient plant is installed capable of meeting all the demands. It must be distinctly understood, however, that all reasonable precautions were taken to obtain the necessary additional plant required, and it is only owing to the war conditions that the new plant has not been delivered and put into commission. The Department is now suffering from the cumulative effects of serious plant shortage for several years, and until the adequate amount of machinery for the generating stations, and cables for the distributing system, is obtained, a more satisfactory supply cannot be guaranteed. It is, however, gratifying to be able to record the fact that, due to the alterations that have been carried out during the year to the boilers at Riverside, it was possible with the same boilers to do an increased load of 2,600 K.W.

In October the new 10,000 K.W. General Electric Co. set was put in commission, and has been on continuous load since that time. The number of units generated between October 4 and December 31 was 24,615,680 units, of which this machine generated 16,845,830, being 68% of the total.

ANALYSIS OF WORKS COSTS.

UNITS SOLD AND ACCOUNTED FOR

Account.	1914 Units 32,885,822	Per Unit	1915 Units 49,827,555	Per Unit	1916. Units 62,402,478	Per Unit	1917 Units 78,796,232	Per Unit	Decrease or Increase over previous year
	Tls.	Cand.	Tls.	Cand.	Tls.	Cand.	Tls.	Cand.	Cand.
Coal	336,186	1.02	420,408	.85	594,862	.95	1,034,871	1.38	+ .43
Oil, Waste, Water and Stores	26,128	.08	37,159	.07	49,331	.08	68,457	.09	+ .01
Wages	59,972	.18	69,487	.14	69,955	.11	79,720	.10	— .01
Repairs and Main- tenance	168,538	.51	190,294	.38	206,322	.33	239,114	.30	— .03
Rent, Rates and Taxes	20,780	.07	24,807	.05	27,097	.05	28,823	.03	— .02
Management Ex- penses	137,999	.42	144,494	.29	155,230	.25	171,760	.22	— .03
Total	749,603	2.28	886,649	1.78	1,102,797	1.77	1,672,745	2.12	+ .35

It will be noted that the increase in works costs is entirely due to the higher price paid for coal, the actual coal consumption over the two stations is only slightly higher than in 1916.

PLANT CAPACITY.

The plant capacity of the two stations is now 29,600 K.W., viz :—Riverside 24,000 K.W. and Fearon Road 5,600 K.W., an increase of 10,000 K.W. over the previous year.

MAXIMUM LOAD.

The highest maximum load which occurred simultaneously at the two stations was 20,927 and the load delivered to feeders 20,187, which is an increase of 1,570 K.W. The maximum load would have been over 22,000 K.W. if it had not been necessary to make certain restrictions to the supply already referred to.

Riverside	16,400	Kilowatts
Fearon Road	3,317	" alternating current supply.
" "	1,210	" direct current supply.
Total	20,927	

LOAD FACTOR.

The load factor of 44.38 is the highest ever recorded, but of course this increase is in a great measure accounted for by the peak load being reduced to a certain extent at the latter part of the year. It will be noticed that Shanghai has a far higher load factor than any of the five largest municipal undertakings in Great Britain.

Year Ending	Undertaking	Units Sold per annum	Maximum Demand in K. W.	Load Factor.	Units sold per kilowatt of Maximum Demand.
1917	Manchester	172,267,789	61,700	31.87	2,792
1917	Glasgow	141,193,627	49,185	32.77	2,870
1917	Birmingham	149,724,637	50,816	33.63	2,946
1916	Liverpool	60,612,533	24,832	27.79	2,440
1917	Shanghai	78,490,442	20,187	44.38	3,888
1917	Sheffield	126,476,858	46,493	31.05	2,718

UNITS GENERATED.

The total units generated at both Stations amounted to 96,921,287, of which Riverside accounted for 89,711,890 and Fearon Road 7,209,397, the percentage of the total units generated supplied by Fearon Road being 7.4.

The units used in both stations directly in the generation of energy were 6,351,016 or 6.55% of the total generated. The figures for the 3 previous years were 9.92%, 8.27% and 8.04% respectively.

UNITS ACCOUNTED FOR.

305,790 units were used for miscellaneous purposes such as Fearon Road Station lighting, stores, godowns, offices, quarters and showroom, also for office and showroom heating, and energy used by the meter testing department.

UNITS SOLD.

The total units sold amounted to 78,490,442, an increase of 26.27% over 1916.

	1912	1913	1914	1915	1916	1917	Increase or decrease
Private Lighting	5,455,885	8,607,546	12,325,247	14,073,166	14,285,888	15,206,019	+ 6.44%
Public Lighting	938,784	987,517	1,055,272	1,005,259	1,058,772	1,128,896	+ 6.62%
Heating and Cooking	118,585	271,655	395,675	679,704	899,585	1,129,754	+25.58%
Power	2,307,482	6,994,051	15,230,639	30,633,455	42,042,853	57,182,340	+36.01%
Traction	2,859,334	3,127,677	3,626,838	3,395,813	3,873,698	3,848,433	— .78%
	11,680,070	19,928,446	32,633,671	49,787,397	62,160,796	78,490,442	+26.27%

This increase would seem very satisfactory under the restricted supply conditions, and will give some idea of the demand that exists for electricity for all purposes, and as soon as conditions again become normal increases on a much larger scale can be confidently expected.

DISTRIBUTION.

During this year 104.57 miles of cable have been erected for extending and enlarging the overhead mains and 7.44 miles of extra high tension, 1.08 miles of low tension, and 0.12 miles of pilot cable laid.

The various purposes for which the above were used are set out below :—

E.H.T. 22,000 volt underground mains extended	6.13	miles
" 11,000 " " " " "	0.528	"
" 6,000 " " " " "	0.779	"
" Overhead mains extended	17.318	"
" " " enlarged	2.693	"
H.T. " feeders extended	1.36	"
" " " enlarged	1.26	"
L.T. underground mains extended	1.082	"
" " pilot cable extended	0.123	"
" overhead distributors extended	33.658	"
" " " enlarged	7.958	"
" " feeders extended	10.33	"
Direct current mains extended	.68	"
" " " enlarged	5.064	"
L.T. Alleyway distributors extended	8.45	"
Public Lighting mains extended	8.38	"
" " " enlarged	0.55	"
Private Road lighting mains extended	6.37	"
" " " enlarged	.50	"
Poles in roads —New	938	
Renewed	222	
Poles in alleyways—New	401	
Renewed	32	

TRANSFORMER SUB-STATIONS.

The following summary shews the number and capacity of the existing sub-stations, and the various alterations carried out during the year. The changing over of the single phase districts to three phase is being carried out as opportunity serves; this must necessarily be a gradual process, more especially at the present time, as it is impossible to obtain some of the switchgear required.

	<i>Number</i>	<i>Capacity in Kilowatts</i>
Sub-station transformers installed	34	14,240
Pole Type " "	6	170
	40	14,410
Sub-station transformers disconnected	21	3,785.5
Pole Type " "	3	50
	24	3,835.5
	<i>3 Phase</i>	<i>1 Phase</i>
Sub-stations commissioned	4	5
" dismantled	2	7
	—	—
	2	—2
	—	—
Pole Transformer stations commissioned	1	4
" " " dismantled	—	2
	—	—
	1	2
	—	—

Net increases for year :—

Number of Sub-stations	Nil
" Pole transformer stations	3
" Transformers	16
Capacity of transformers	10,574.5 kilowatts

Totals to end of year :—

Total number of sub-stations	62
„ „ „ pole transformer stations	12
„ „ „ transformers	105
„ capacity of transformers	30,867.5 kilowatts.

Number of sub-stations in course of construction 3.

The following sub-stations have been completed and/or commenced during the year :—(Three phase) Poh Yih, Fearon Road, Nanyang, Tung Wen. (One phase) Darroch, Isis, China Electric Construction, Olympic and Medhurst (new site).

The following sub-stations have been dismantled :—(Three phase) Dah Yue, Zang Foong, (One phase) Palace, Isolation, Li Hung College, North Szechuen Road, Wayside, Country Club and Medhurst (old site).

PUBLIC LIGHTING.

Further alterations have been carried out to the lighting mains and additional sectionalizing plugs inserted to enable these circuits to be more quickly tested and faults repaired in case of trouble, with satisfactory results.

Street lamps connected at the end of the year :—

944	60 c.p.	Metal Filament lamps.
226	100 „	„ „
202	200 „	„ „
320	400 „	„ „
8	800 „	„ „
14	1,000 „	„ „
4	2,000 „	„ „
Total	1,718	

The following street lamps were connected during the year :—

83	60 c.p.	Metal filament lamps.
25	100 „	„ „
8	200 „	„ „
8	800 „	„ „
14	1,000 „	„ „
Total	138	
3	400 c.p. metal filament lamps were disconnected.	

HOUSE SERVICE CONNEXIONS.

The nett increase in service connexions after allowing for disconnexions was 1,594, making the total at the end of the year 23,453.

INCREASE IN EQUIVALENT 30 WATT LAMPS.

The recorded number of additional 30 watt (equivalent) lamps connected during the year is 27,531, bringing the total up to 722,424. This number would have been very considerably increased if it had not been for the restrictions enforced during the year : a large number of lamps are at the present time waiting for connexion.

HEATING AND COOKING.

In spite of the restrictions placed on the additional connexion of radiators during the year, the number of units sold for heating and cooking purposes have increased from 899,585 to 1,129,754 or 25.58%. This is in a great measure due to the number of people who keep their radiators all the year round, and find them so useful in the damp summer months.

INDUSTRIAL DEVELOPMENT.

The effects of the war upon the working results of the Power Department have been less than anticipated, the number of motors connected and the resultant horse power shewing increases of 18% and 16% respectively, as compared with the totals reached at the end of the previous year.

		Number of motors	Total horse power
Hired motors connected during 1917 (net)	3 phase	75	1,366
	1 phase	4	67.1
Consumers' motors connected during 1917 (net)	3 phase	103	1,553.2
	1 phase	42	161.35
Lift and Direct current motors connected during 1917 (net)		6	47.25
Net Total motors connected during 1917		230	3,194.9
Total hired motors connected to December 1917	3 phase	423	9,470.9
	1 phase	229	1,656.7
Total Consumers' motors connected to December 1917	3 phase	571	10,534.35
	1 phase	199	788
Total lift and direct current motors connected to December 1917		105	888.3
Total number of motors connected		1,527	
Total horse power of motors connected		23,338.25.	

Amongst the larger power installations dealt with during the year under notice may be mentioned the following :—

Poh Yih Cotton Mill
 Dah Yue Oil Mill
 Lih Teh Oil Mill
 Shanghai Potassium Chlorate Co.
 Yangtsepoo Cotton Mill (Extensions).

The following is a schedule of industries operated by electric power derived from the Council's undertaking, and shewing the approximate horse power utilised in each industry.—

Industry	H.P.
Chemical plants	418
Construction (Buildings)	193
Cigarette manufacture	142
Cotton manufacture	12,017
Engineering	660
Flour milling	2,719
Ice and cold storage	322
Lifts	888
Oil milling	783
Printing	1,023
Rice milling	1,455
Saw mills	728
Silk winding	23
Tea polishing	151
Sundry industries	1,814

STAFF.

The European staff at the end of the year numbered 79, of whom 14 are serving in H.M. Forces.

The Chinese staff is 1,075.

I wish to express to the Committee my appreciation of the work of the staff during the year, and more especially during the latter part of the year: it is due to the harmonious way in which the generating and distributing departments worked together, that the unrestricted supply was resumed at such an early date.

FINANCIAL.

The year's business has resulted in a nett profit of Tls. 469,915 after meeting all capital charges and writing off Tls. 387,761 for depreciation. The estimated profit was Tls. 309,800, the increased amount being accounted for by interest charges Tls. 89,573 less than allowed for and by the additional sale of 7,000,000 units. It will be recognised that under existing conditions it is impossible to closely estimate what the interest charges in the year will be, as the deliveries of all plant are so uncertain. The estimated profit for 1918 is Tls. 433,319 interest to the extent of Tls. 413,989 is allowed for, and depreciation Tls. 450,008.

RIVERSIDE EXTENSIONS.

The four new trunk mains between Riverside and Fearon Road have been completed and are in use at 6,600 volts. They cannot be used at the present time at their designed pressure of 22,000 volts owing to the impossibility of taking any plant out of the Fearon Road Station, to make room for the necessary step-down transformers, until more plant has been put into commission at Riverside.

The new switch and transformer house has been completed and most of the switchgear delivered, and the erection of this material started. The new 10,000 K.W. General Electric Co. set has been put into commission as already reported. The new pump house is nearly completed, but, unfortunately, the pumps have not yet been shipped. Two of the new boilers have been erected and are complete, and will be ready to go on load in a few weeks. A large amount of boiler material has been delivered, and is still coming forward, but unfortunately a good deal of the material has been lost at sea, but four more boilers can be erected and finished during the year. The circulating water pipework has been delivered and is now being placed in position between the new pump house and the new engine room.

The new buildings are nearly completed, but there are still some parts not yet delivered; the overhead coal bunkers in the boiler house have been erected.

The plant most urgently required at the present time is the 5,000 K.W. Fraser and Chalmers' set, and the circulating pumps for condensing purposes, which are being made by Mather and Platt. The turbine set has been finished for several months, but the necessary tests have been delayed at the manufacturers' works owing to the pressure of Government work; the pumps have also been delayed for the same reason.

A large consignment of the coal conveyor gear for the new boiler house ordered from Messrs. Fraser and Chalmers is now being delivered.

FURTHER EXTENSIONS.

Mr. Aldridge in July wrote a long report outlining certain extensions which were considered very urgent; this report has been published, and in view of the present uncertain conditions as to the delivery of materials, he was authorised to proceed to America, and call for tenders for the plant required. Of this plant, orders have already been placed with the General Electric Co. for one 20,000 K.W. turbine generator set, and for one synchronous condenser, and one 600 K.W. motor generator with the Westinghouse Co. As previously reported very serious defects have developed in the two 5,000 K.W. turbine generators at Riverside, and it is now considered necessary, in order that the Department can be in a position to safely meet its obligations, that an additional 5,000 K.W. machine should be ordered at once.

LBS COAL

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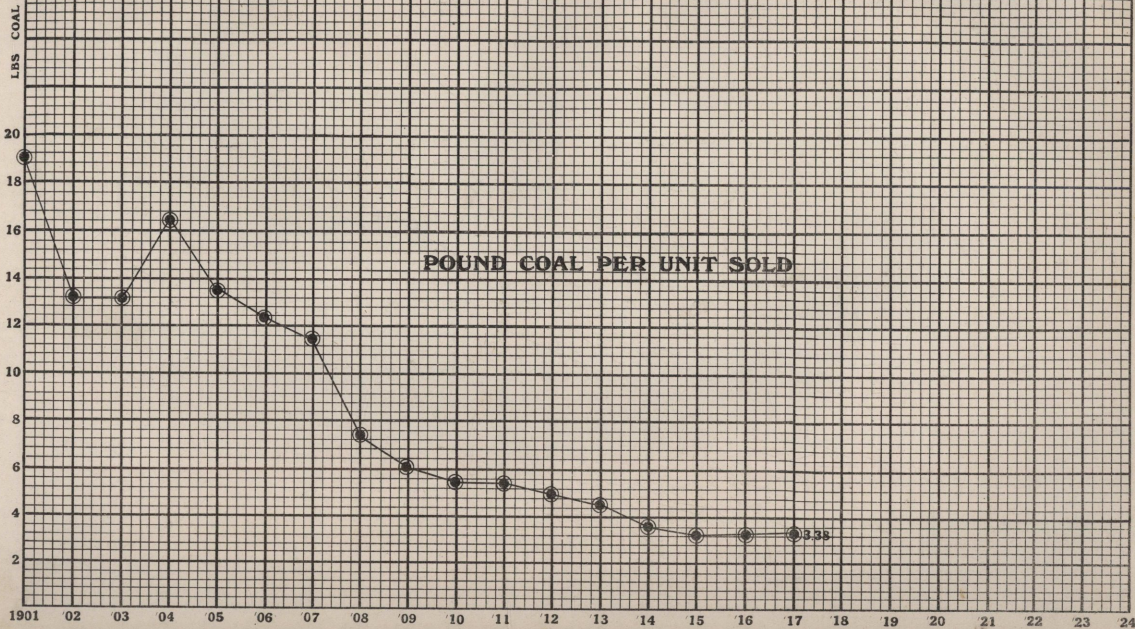
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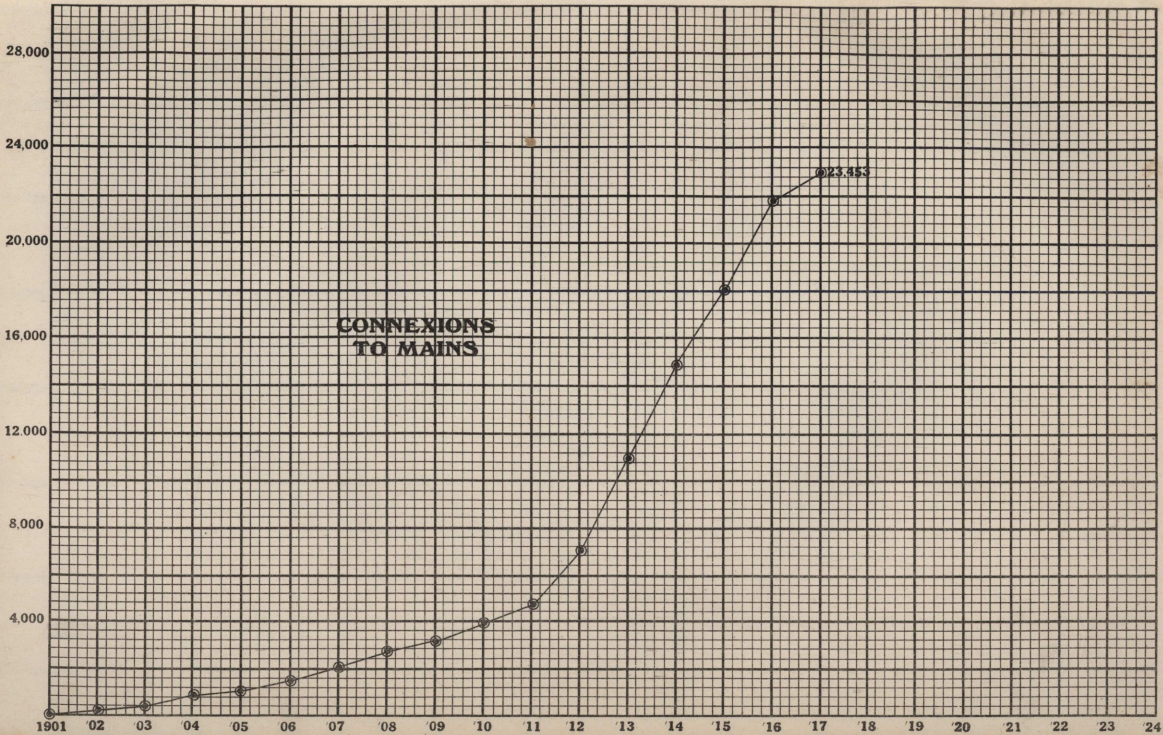
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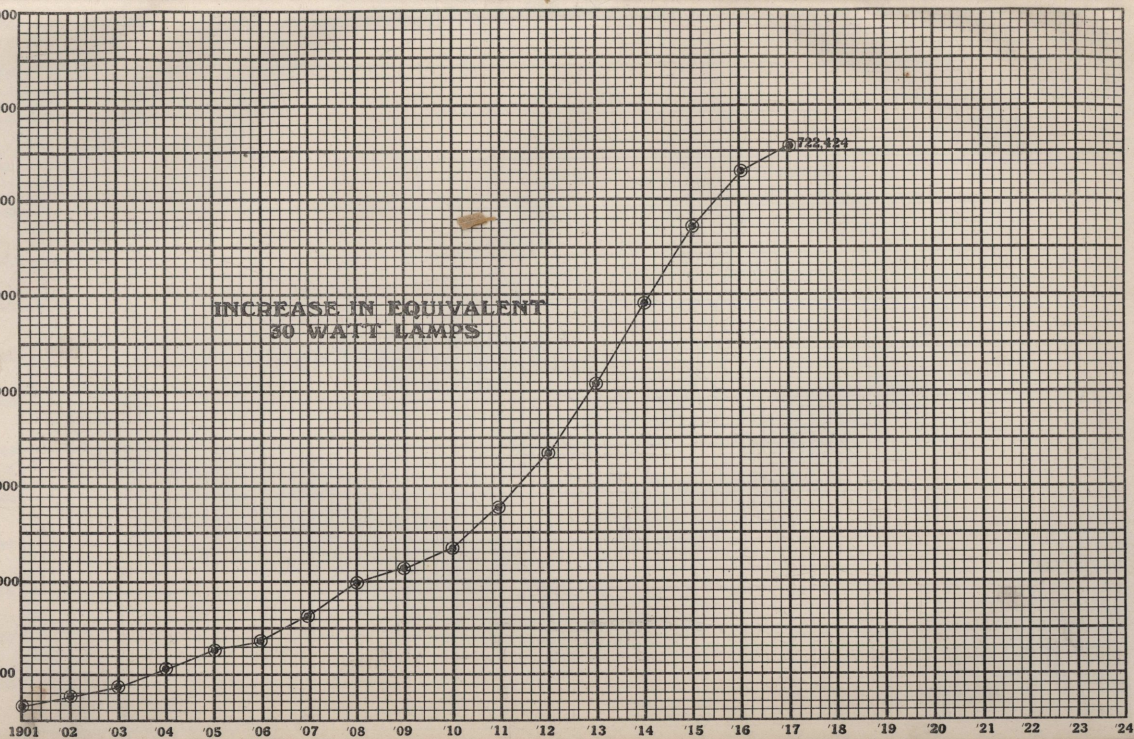
POUND COAL PER UNIT SOLD

3.35

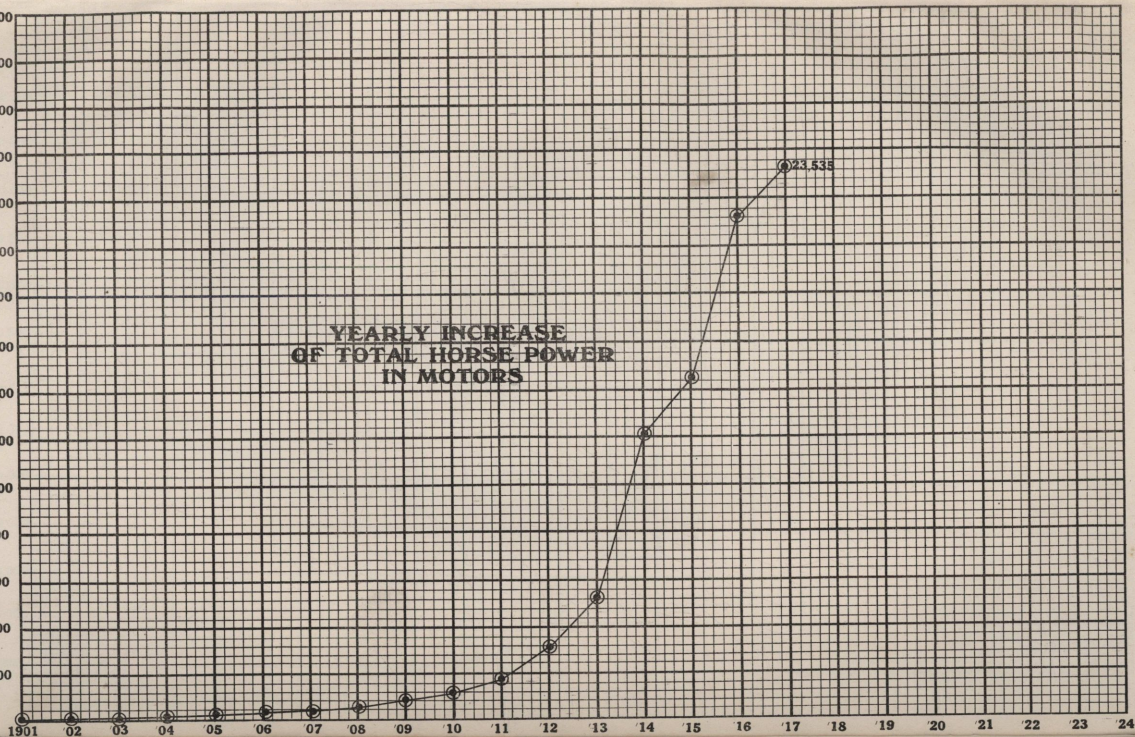




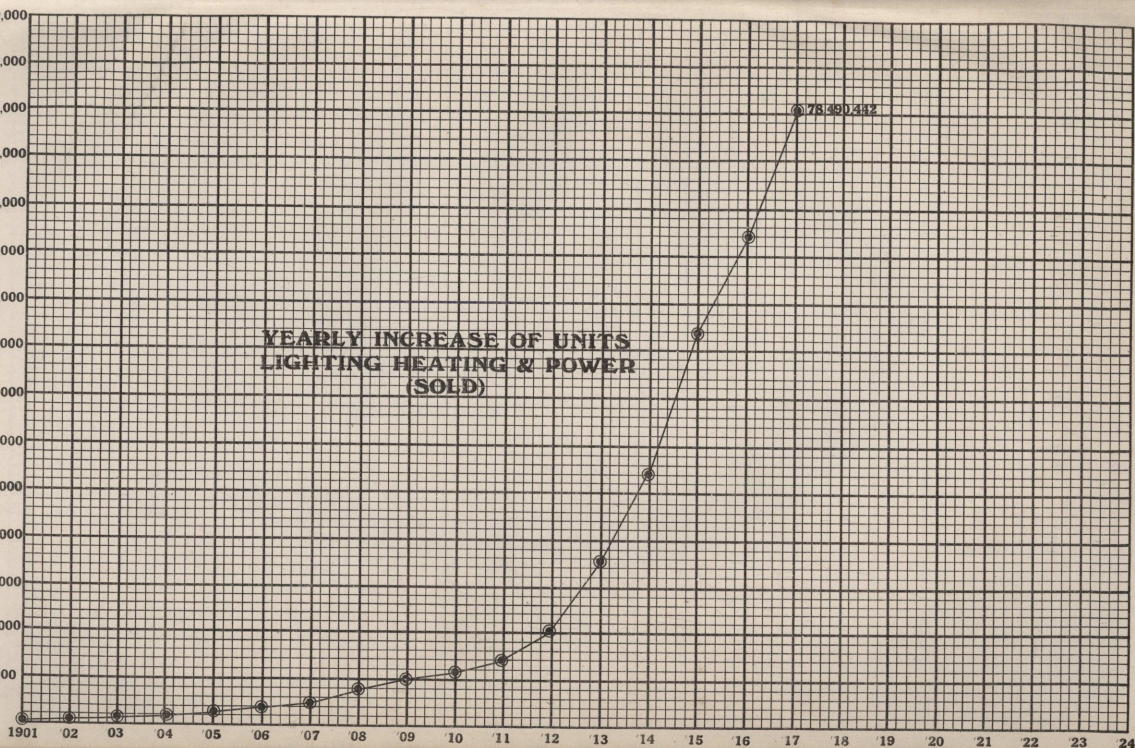
INCREASE IN EQUIVALENT
30 WATT LAMPS

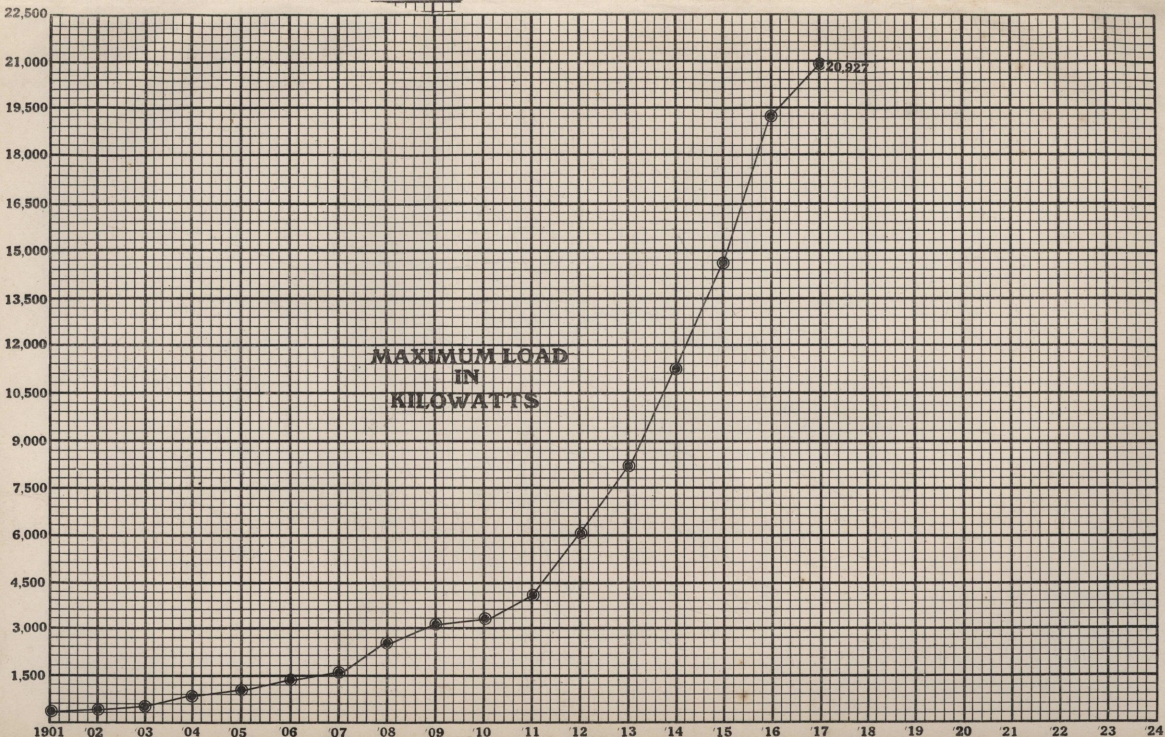


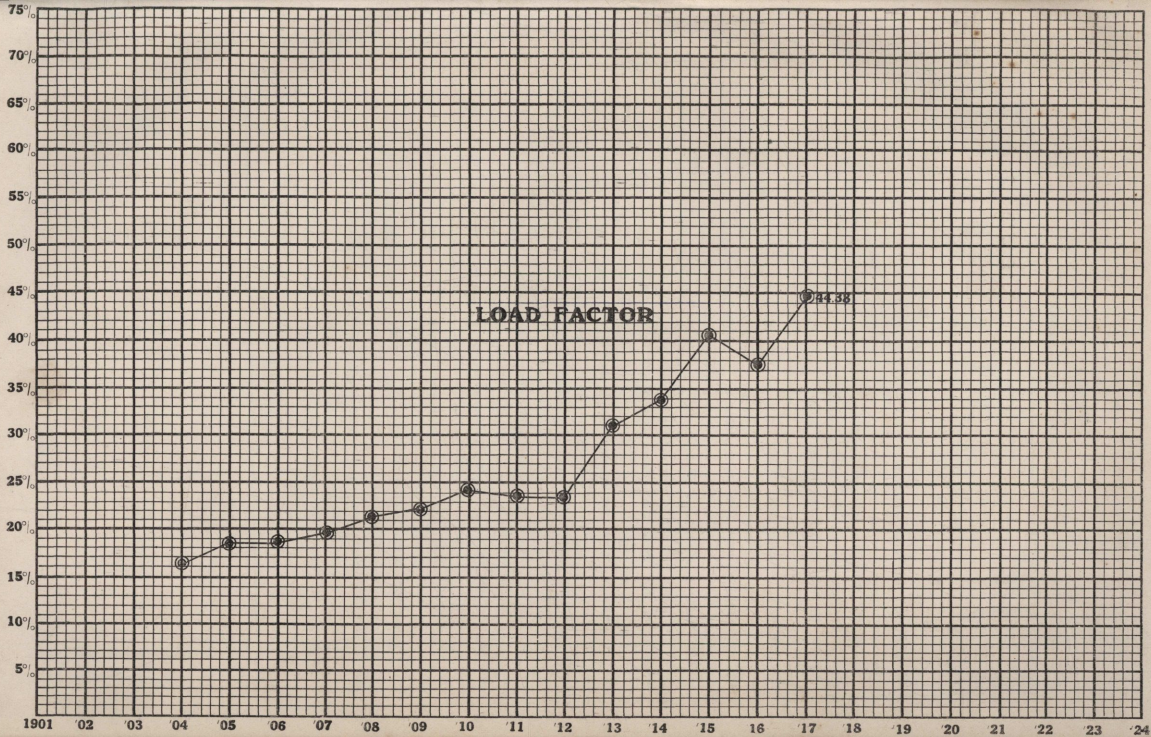
**YEARLY INCREASE
OF TOTAL HORSE POWER
IN MOTORS**



**YEARLY INCREASE OF UNITS
LIGHTING HEATING & POWER
(SOLD)**







COMPARATIVE TABLE.

	Equivalent No. of 20 Watt lamps connected.	e/o Increase.	No. of House Service connections added during the year.	Units				Sold.				Coal. Tons.	Lbs. Coal per Unit Sold.	Max. Load K.W.	e/o Increase.	e/o Load Factor.
				Private Lighting.	Public Lighting.	Power and Heating	Traction.	Accounted for and used at Works.	Total Units Sold and Accounted for.	e/o Increase.						
1901	21,812	27 ^o / _o	53						568,669	8 ^o / _o	4,850	19.10	320	9 ^o / _o		
1902	31,841	46 ^o / _o	139						754,342	32 ^o / _o	4,570	13.57	444	38 ^o / _o		
1903	42,500	34 ^o / _o	270						996,021	32 ^o / _o	6,072	13.65	580	26 ^o / _o		
1904	66,840	57 ^o / _o	402	853,147	319,499	16,834		25,082	1,214,562	22 ^o / _o	8,679	16.00	858	48 ^o / _o	16.2	
1905	88,201	31 ^o / _o	249	1,277,140	410,241	34,350		54,592	1,776,323	45 ^o / _o	10,629	13.40	1,090	27 ^o / _o	18.6	
1906	108,525	23 ^o / _o	414	1,704,563	451,950	65,932		85,230	2,307,675	30 ^o / _o	12,681	12.30	1,411	29 ^o / _o	18.6	
1907	140,846	30 ^o / _o	529	2,065,499	457,207	141,146		79,536	2,743,388	19 ^o / _o	13,489	11.01	1,630	15 ^o / _o	19.2	
1908	171,918	22 ^o / _o	622	2,391,586	445,143	158,445	1,430,889	206,702	4,632,775	68 ^o / _o	14,099	6.82	2,500	53 ^o / _o	21.1	
1909	190,634	11 ^o / _o	537	2,740,487	632,314	323,461	2,001,718	290,856	5,988,836	29 ^o / _o	16,137	6.04	3,100	24 ^o / _o	22.05	
1910	215,405	12 ^o / _o	658	3,164,996	801,613	453,826	2,110,208	303,507	6,834,150	14 ^o / _o	17,304	5.67	3,240	4.5 ^o / _o	24.06	
1911	267,476	24 ^o / _o	741	3,634,623	913,679	820,304	2,551,235	380,596	8,300,437	21 ^o / _o	20,456	5.52	4,007	24 ^o / _o	23.65	
1912	337,159	26 ^o / _o	2,201	5,455,885	938,784	2,426,065	2,859,334	450,469	12,130,537	46 ^o / _o	27,267	5.04	6,060	50 ^o / _o	23.52	
1913	428,755	27 ^o / _o	4,108	8,607,546	987,517	7,205,706	3,127,677	1,959,784	21,888,230	80 ^o / _o	46,181	4.73	8,100	35 ^o / _o	30.8	
1914	528,747	28 ^o / _o	3,968	12,825,247	1,055,272	15,626,314	3,626,838	252,151	32,885,822	50 ^o / _o	55,616	3.79	11,190	38 ^o / _o	33.6	
1915	621,078	17 ^o / _o	3,149	14,073,166	1,005,259	31,313,159	3,395,813	226,731	50,014,128	52 ^o / _o	75,189	3.05	13,909	24 ^o / _o	40.8	
1916	694,833	12 ^o / _o	3,755	14,285,888	1,058,772	42,942,438	3,873,698	241,682	62,402,478	25 ^o / _o	99,038	3.23	18,617	33.8 ^o / _o	38.2	
1917	722,424	3.97 ^o / _o	1,594	15,206,019	1,128,896	58,312,094	3,843,433	305,790	78,796,232	26.27	117,678	3.35	20,187	8.4 ^o / _o	44.38	

ESTIMATE FOR 1918.

		Tls.	Tls.
REVENUE.			
<i>Light, Heat Power, etc.</i>			3,951,893
<i>Rent of Motors, Meters, etc.</i>			60,000
			<u>4,011,893</u>
EXPENDITURE.			
<i>Generation</i>			2,267,888
<i>Distribution</i>			197,500
<i>Management</i>			178,797
<i>Rents and Taxes</i>			30,392
<i>Insurance</i>			20,000
<i>Depreciation</i>			450,008
<i>Interest</i>			413,989
<i>Sundries and Contingencies</i>			20,000
			<u>3,578,574</u>
	Balance		433,319
			<u>4,011,893</u>
<i>N.B.</i>—The above estimate is shewn in a form comparable with the Revenue Account; the following details as to personal emoluments are added in accordance with the practice obtaining in the Council's Accounts.			
<i>Pay and Allowances.</i>			
Engineer-in-Chief and Manager	Tls. 18,000		
Deputy Engineer-in-Chief and Manager	10,800		
Chief Assistant Engineer	7,200		
Power Stations Superintendent	6,150		
Power Station Assistant	3,300		
9 Shift Engineers	24,547		
2 Foreman Mechanics	7,800		
Sub-station and Power Engineer	4,800		
Assistant Power Engineer	4,200		
Power Department Assistant	2,520		
Mains Engineer	4,200		
2 Assistant Mains Engineers	8,580		
2 House Service Mains Assistants	6,360		
4 Mains Foremen	11,880		
2 Draughtsmen	8,100		
Meter Engineer	4,200		
3 Meter Testers	8,220		
2 Installation Inspectors	6,780		
Assistant Installation Inspector	2,760		
2 Show Room Assistants	5,160		
Secretary	6,000		
12 Clerical Assistants	36,410		
4 Stenographers and Typists	6,540		
4 Collectors	8,565		
2 Meter Inspectors	4,866		
3 Storekeepers	6,980		
Superannuation	20,886		
Temporary Bonus	26,230		
Allowances	4,224		
Ricsha Allowances	5,921		
Chinese Staff	168,665		
	<u>Tls. 450,847</u>		

ESTIMATE FOR 1918—continued.

CAPITAL EXPENDITURE.		£ s. d.	Tls.
RIVERSIDE POWER STATION EXTENSIONS.			
Messrs. Scholey & Co., Ltd.—"Taylor" Underfeed Stokers	Balance	3,408 8 3	
" Babcock & Wilcox, Ltd.—Eight Marine type Water Tube Boilers Mechanical Stokers			
Feed Water heaters, fans and chimneys	Balance	19,023 0 0	
Messrs. The General Electric Co. of New York. One 10,000 K.W. Turbo-alternator	Balance	4,804 4 2	
" Fraser and Chalmers, Ltd.—One 5,000 K.W. Turbo-alternator			
" The Westinghouse Electric Export Co.—Static Transformers	Balance	11,978 14 0	
" The British Thomson-Houston Co., Ltd.—Extra high pressure (22,000 volts) switchgear for Riverside Station	Balance	4,996 0 0	
Messrs. C. A. Parsons & Co., Ltd.—One 10,000 K.W. Turbo-alternator			
" Fraser & Chalmers, Ltd.—Coal handling and conveying plant	Balance	1,871 3 0	
" The British Thomson-Houston Co., Ltd.—High pressure (6,600 volts) switchgear for Fearon Road	Balance	32,844 0 0	
Extra high pressure (22,000 volts) switchgear for Fearon Road Station	Balance	11,317 0 0	
" The British Insulated and Helsby Cables, Ltd.—Underground Cables	Balance	349 16 0	
Messrs. Mather & Platt, Ltd.—Two Motor driven centrifugal circulating water pumps			
" The Lea Recorder Co., Ltd.—Lea Recorders			
" The General Electric Co. of New York.—One 20,000 K.W. Turbo-alternator			
" The British Thomson-Houston Co.—One 5,000 K.W. Turbo-alternator			
		671 17 6	
		94,000 0 0	
		22,000 0 0	
		214,610 8 7	
Freight, insurance, duty, commission, etc.		42,922 0 0	
		257,532 8 7	
Of the above sum it is anticipated that £78,919 will be required during 1918	£78,919 at 3/6=Tls. 450,964		
Local expenditure at Riverside	65,000		
			515,964
GENERAL CAPITAL EXPENDITURE.			
Messrs. Ferranti Ltd.—Meters		3,617 16 8	
" The Weston Electrical Co., Ltd.—Ammeters and wattmeters		115 16 3	
" The British Thomson-Houston Co., Ltd.—Motors		1,434 0 0	
Transformers		136 8 0	
Messrs. The British Westinghouse Co., Ltd.—Ammeters		30 0 0	
Transformers		77 0 6	
Voltsmeters		210 16 6	
Switches		5 4 0	
Messrs. The Westinghouse Electric Export Co.		220 0 0	
Switches		24 0 0	
Messrs. The Falkirk Iron Co.			
Electric Cookers		390 10 0	
Messrs. The Dermatine Co.			
Valves		20 0 0	
Messrs. Mitsui Bussan Kaisha			
Motors		3,870 0 0	
22,000 volt switchgear for Tonquin Road sub-station		3,000 0 0	
Bare Copper Cable		19,428 0 0	
Weatherproof Cable		8,368 0 0	
Vulcanised Cable		1,180 0 0	
		42,127 11 11	
Freight, insurance, duty and commission		1,256 0 0	
	@ 3/5	43,383 11 11	247,906
Meters		G. \$892.40	
Steel Wire		498.40	
One 5 K.W. 50,000 volt testing transformer		750.00	
Six 625 K.V.A. Transformers		17,500.00	
Six 62.5 " "		2,803.60	
500 Reflectors		1,420.60	
Regulators and transformers		495.00	
Ammeters and wattmeters		2,347.90	
Motors		26,804.00	
7,000 yds. armoured Cable		69,655.00	
20,000 yds. of Underground Cable		167,000.00	
Oil Switches		3,061.50	
Flame Proof Wire		1,440.00	
Circuit Breakers		306.00	
Voltsmeters		309.60	
Phosphor Bronze		1,500.00	
One Millivoltmeter		197.50	
One Synchronous Condenser		27,000.00	
One Motor Generator		22,500.00	
		346,481.50	
Freight, insurance, duty and commission		42,200.00	
	@ 83 1/2	388,618.50 =	466,885
	Carried forward		1,230,755

ESTIMATE FOR 1918—continued.

			Tls.
	<i>Brought forward</i>		1,230,755
Compound	@ 61½ Yen	2,480.00	1,525
Motors			5,714
Lathe & Drilling Machines			10,000
Series sockets			572
Copper Bar			2,369
Insulators			986
Concrete Poles			930
Boundary Wall at Riverside Power Station			15,026
Poles			29,729
Land			117,180
Sundries			150,000
			1,564,786

A. H. BLAGDEN, A.M.I.E.E., AM.I.MECH.E.
Acting Engineer-in-Chief and Manager.

TREASURER'S REPORT.

REVENUE AND NET REVENUE ACCOUNTS.

The following figures compare the sale of Electricity and Profit for the year under review with the corresponding figures for 1916.

	1916	1917	Increase
	Tls.	Tls.	Tls.
Sale of Electricity—			
Private Lighting and Power	1,907,548	2,630,299	722,751
Heating	22,500	33,880	11,380
Public Lighting	68,889	87,015	18,126
Traction, etc.	77,928	96,554	18,626
Revenue Account	666,361	848,217	181,856
Net Revenue Account	378,549	525,195	146,646

BALANCE SHEET.

Stores.—Details of the amount appearing under this heading are given below.

Coal	Tls.	Tls.
Fearon Road	5,929	
Riverside	108,757	
		114,686
Cable		
Fearon Road	151,399	
Riverside	838	
		152,237
Lamps		
Fearon Road	25,792	
Riverside	151	
Show Room, Nanking Road	9,060	
		35,003
Meters		
Fearon Road		2,568
Motors		
Fearon Road		10,078
Sundries		
Fearon Road	298,149	
Riverside	34,074	
Show Room, Nanking Road	1,747	
		333,970
		648,542

General Reserve Account.—The balances at credit of Reserve Account, Fearon Road Station and Net Revenue Appropriation Account at January 1, 1917, have now been transferred to this heading, the total of which represents approximately 15½% of the capital outlay of the Undertaking. It has been decided to make no further additions to this account until such time as the total falls below 10 per cent. of the capital outlay.

Net Revenue Appropriation Account.—After making the transfer to General Reserve Account mentioned above, and providing for the Contribution to General Funds for 1917, there is a balance remaining of Tls. 469,915 which it is proposed to deal with as follows:—

(a.) To transfer Tls. 105,000 (20% of the profits for 1917) to the credit of a new account to be called: Contribution to General Funds—Equalization Account.

(b.) To place Tls. 364,000 at the Council's disposal as a Contribution to General Funds on account of the year 1918.

(c.) To carry forward Tls. 915.36.

STATISTICAL STATEMENTS.

Table I contains the Revenue Account figures for the years 1913/1917 reduced to the ratio "per unit sold"; the capital outlay at the end of each period; the return on capital outlay; and the ratio of power units to the total number of units sold.

Table II shows the variations that have taken place in the capital cost per kilowatt.

TABLE I.

INCOME PER UNIT SOLD	1913	1914	1915	1916	1917
	Candareens	Candareens	Candareens	Candareens	Candareens
Sale of Electricity	5.04	4.12	3.41	3.34	3.63
Miscellaneous	.04	.06	.06	.06	.08
Total	5.08	4.18	3.47	3.40	3.71
EXPENDITURE PER UNIT SOLD					
	Candareens	Candareens	Candareens	Candareens	Candareens
Generation	1.63	1.34	1.11	1.19	1.63
Distribution	.67	.47	.33	.29	.25
Rent and Taxes	.05	.05	.04	.04	.03
Insurance	.04	.03	.02	.02	.02
Management	.52	.40	.28	.24	.20
Depreciation	.90	.72	.61	.55	.50
	3.81	3.01	2.39	2.33	2.63
Balance	1.27	1.17	1.08	1.07	1.08
Total	5.08	4.18	3.47	3.40	3.71
Capital outlay at Dec. 31	Tls. 4,257,046	Tls. 5,445,508	Tls. 6,037,882	Tls. 7,487,241	Tls. 9,005,172
Return on Capital Outlay	5.89%	6.98%	8.91%	8.90%	9.42%
Ratio of Power Units to Total	35%	47%	62%	68%	75%

TABLE II.

	1913	1914	1915	1916	1917
Plant Capacity	K.W. 9,600	K.W. 14,600	K.W. 19,600	K.W. 19,600	K.W. 29,600
Capital cost per Kilowatt	Tls. 445	Tls. 373	Tls. 308	Tls. 382	Tls. 304
Maximum Demand	K.W. 8,100	K.W. 11,190	K.W. 14,400	K.W. 19,167	K.W. 20,927
Capital cost per Kilowatt	Tls. 528	Tls. 487	Tls. 419	Tls. 391	Tls. 450

E. F. GOODALE, A.C.A.,

Treasurer.

ELECTRICITY

Dr.

No. 2.—NET REVENUE

	Tls.
To Interest	296,446.71
" Special Charges Account, Plant Extension	15,990.74
" Amount written off on Depreciation of Stores	2,247.79
" Reserve for Bad and Doubtful Debts	13,319.57
" Brokerage	238.50
" Balance carried to Appropriation Account... ..	526,195.36
TOTALS ...	853,438.67

No. 3.—NET REVENUE

	Tls.
To Contribution to General Funds	55,280.00
" Transfer to General Reserve Account	338,809.43
" Balance carried forward	469,915.36
TOTALS ...	864,004.79

No. 4.—DEPRECIATION

	Tls.
To Depreciation on assets, sold, written off and fully depreciated during the year	98,994.13
" Balance carried forward	1,724,144.73
TOTALS ...	1,823,138.86

No. 5.—GENERAL RESERVE

	Tls.
To Plant, Land, etc., sold and written off	10,170.46
" Balance carried forward	1,405,802.03
TOTALS ...	1,415,972.49

DEPARTMENT.**ACCOUNT.**

Cr.

	Tls.
By Revenue Account—balance therefrom	848,216.77
" Superannuation refunded	2,126.56
" Profit on Installation, etc.	2,538.90
" Dividend and Bonus on 1 share, Union Insurance Society of Canton...	556.44
TAEELS ...	853,438.67

APPROPRIATION ACCOUNT.

	Tls.
By Balance at December 31, 1916.	338,809.43
" Net Revenue Account—balance therefrom	525,195.36
TAEELS ...	864,004.79

ACCOUNT.

	Tls.
By Balance at December 31, 1916	1,428,376.99
" Depreciation for the year	387,761.87
" Adjustment	7,000.00
TAEELS ...	1,823,138.86

ACCOUNT.

	Tls.
By Balance at December 31, 1916	924,830.25
" Receipts from Sales of old Plant, Land, etc.	10,044.10
" Land Account, written up to original cost	12,330.92
" Reserve Account, Fearon Road Station, amount transferred	129,957.79
" Net Revenue Account, amount transferred	338,809.43
TAEELS ...	1,415,972.49

ELECTRICITY

Dr.

No. 6.—BALANCE SHEET

	Tls.	Tls.
LIABILITIES.		
To LOAN FROM GENERAL FUNDS, at December 31, 1916	5,069,000.00	
Issued during the year	86,700.00	
<i>Note.</i> —The interest carried by the above Loans is as undernoted :—		5,155,700.00
Loans at $6\frac{1}{2}\%$ Tls. 5,069,000		
" 8 " " 86,700		
	<u>5,155,700</u>	
" DEPOSIT ACCOUNTS		337,157.25
" SUNDRY CREDITORS		322,066.84
" OVERDRAFT AT THE HONGKONG AND SHANGHAI BANKING CORPORATION	369,183.80	
Less—Balance of Telegraphic Transfer London (£15,789.10.3)	<u>106,992.37</u>	262,191.43
" OVERDRAFT WITH COMPRADORE	1,644.13	
Less—Cash in hand	<u>514.40</u>	1,129.73
" DEPRECIATION ACCOUNT (No. 4), balance at credit thereof		1,724,144.73
" RESERVE FOR DEPRECIATION OF STORES		10,000.00
" RESERVE FOR BAD AND DOUBTFUL DEBTS :—		
Balance at December 31, 1916	10,286.21	
Add—Amount reserved during the year	<u>13,319.57</u>	
	23,605.78	
Less—Bad Debts written off	<u>5,920.25</u>	17,685.53
" GENERAL RESERVE ACCOUNT (No. 5), balance at credit thereof		1,405,802.03
" NET REVENUE APPROPRIATION ACCOUNT (No. 3), balance at credit thereof		469,915.36
<i>Note.</i> —There are Contingent Liabilities under contracts for the supply of Plant, Lamps, etc., amounting to approximately Tls. 519,800.		
	TOTALS ...	<u>9,705,792.90</u>

We have examined the foregoing account with the books and vouchers and certify the same to be correct in accordance therewith.

G. H. & N. THOMSON, Chartered Accountants,
Auditors,

ELECTRICITY DEPARTMENT.

No. 7.—Capital Outlay Account for the Year ended December 31, 1917.

	Capital Outlay at January 1, 1917.	Additions during the year.	Deduct Assets Fully Depreciated, sold, or written off.	Capital Outlay at Dec. 31, 1917.
	Tls.	Tls.	Tls.	Tls.
LAND :—				
Fearon Road Station	32,800.00		22,105.60	10,694.40
Riverside Station	62,932.78	137,211.00	Dr. 34,436.52	234,580.30
Sub-Stations	53,213.74	951.65	4,424.00	49,741.39
<i>Total Outlay on Land Tls. 295,016.09</i>				
BUILDINGS :—				
Fearon Road Station	249,725.79	72.13		249,797.92
Riverside Station	570,136.01	207,730.72		777,866.73
Sub-Stations	109,053.05	8,405.86		117,458.91
<i>Total Outlay on Buildings Tls. 1,145,123.56</i>				
PLANT GENERATION :—				
Fearon Road Station	954,178.77	18,566.11	25,328.18	947,416.70
Riverside Station	1,214,146.33	696,032.70		1,910,179.03
<i>Total Outlay on Plant Generation Tls. 2,857,595.73</i>				
PLANT DISTRIBUTION :—				
Mains	1,142,765.56	151,986.09		1,294,771.65
do. Underground	1,067,930.18	92,646.51		1,160,576.69
House Service	202,427.63	12,794.08	1,246.06	213,975.65
Meters	287,356.92	70,435.32	6,462.89	351,329.35
Transformers and Gear	484,476.80	57,041.65	35,635.97	505,882.48
Public Lighting	71,675.10	8,051.73	23,846.14	55,880.69
Workshop Plant	7,345.50	1,644.67		8,990.17
<i>Total Outlay on Plant Distribution Tls. 3,591,406.68</i>				
SUNDRY INSTRUMENTS AND TOOLS... ..	6,523.40	2,063.16		8,586.56
PLANT ON HIRE	327,503.22	50,589.58	2,288.18	375,804.62
MOTOR CARS AND LORRIES	9,050.64	205.57	3,610.12	5,646.09
ELECTRIC MOTOR CARS... ..	23,829.16	10,307.38		34,136.54
FURNITURE	40,843.51	2,471.04		43,314.55
STORES	569,307.27	79,072.63	Dr. 161.74	648,541.64
TOTALS ...				
TOTALS ...	7,487,241.36	1,608,279.58	90,348.88	9,005,172.06

FINANCE MATTERS.

LOAN REDEMPTION.

In view of the paramount importance to the Community of its credit, the Council decided early in the year to appoint a Special Committee to go thoroughly into the question of whether or not the present system of redeeming Municipal Loans is entirely suitable and satisfactory having due regard to local conditions.

The gentlemen appointed to this Committee were Count L. Jezierski (Chairman), Messrs. C. Holliday, R. R. Hynd, S. B. Neill and P. Peebles. Mr. E. S. B. Rowe, Assistant Secretary to the Council, acted as Secretary to the Committee.

The Committee was requested to examine the present system for the redemption of Municipal Loans and to report to the Council :—

1. Whether it is desirable to introduce any and if so what amendments into this system or whether in its opinion any other system should be substituted therefor and if so what system.

2. Whether in providing for the redemption of loans any distinction should be drawn between loans for General purposes and loans for the purposes of the Electricity Department and if so what distinction.

The Committee has sat six times and further has considered various memoranda and calculations drawn up by the Municipal Treasurer and by Members of the Committee. The Committee's Reports, with other documents connected therewith, are as follows :—

Shanghai, July 10, 1917.

SIR,—As Chairman of the Committee appointed by the Council to enquire into the system for redemption of Municipal loans, I have the honour now to hand you the unanimous report of that Committee which has been compiled after very careful investigation and consideration. Four meetings of the Committee have been held, and while the view of the Municipal Treasurer on the Committee's proposals has been requested, in view of the departure from Shanghai of one of the Members, it has been considered desirable to expedite preparation and completion of the report; the Committee will, however, be glad at any time to receive and consider any comment the Treasurer may have to offer.

I have the honour to be, Sir, your obedient servant,

L. JEZIERSKI,

Chairman, Loan Redemption Committee.

A. S. P. WHITE-COOPER, Esq.,
Acting Chairman, Municipal Council.

REPORT OF THE LOAN REDEMPTION COMMITTEE.

The Present System.—This consists, not in providing for the redemption of outstanding loans, but in using the sum raised annually for that purpose in paying for items of Extraordinary Expenditure which would otherwise be themselves the subject of new loans. There appear several objections to this, the principal one being that as no provision is made for meeting existing loans before they fall due, it is necessary to depend to a greater extent than is advisable upon the state of the market on the actual date when this occurs, which is a drawback which will certainly grow more and more pronounced as borrowings grow larger with the growth of Shanghai. Also the marketability of Shanghai Municipal Debentures on markets outside Shanghai would be increased if their redemption was cared for by a recognised system.

It is, therefore, recommended that the present system be changed.

Substitute for the Present System.—As the average investor in debentures wishes to be sure of his capital and also sure, as far as possible, that he will obtain par if he wishes to sell out, the application of a system of gradual repayment of debentures over the term of their life, which would tend to a great extent to keep the securities at par, would to that extent be acceptable to investors. It is, therefore, recommended that :—

In regard to future loans :—They shall be for a period of 40 years and be repayable by annual drawings commencing after the seventh year under the operation of a sinking fund.

This is not intended to tie the Council's hands in regard to the issue of loans for other periods than 40 years should special circumstances render that advisable.

In regard to existing loans :—As the conditions under which these were issued do not provide for annual drawings, the sum required for their redemption, calculated on the basis of a Sinking Fund, should be utilized annually in purchasing Municipal Debentures on the market at par or under par. In the event of its not being possible to buy on those terms the money should be temporarily invested so as to remain available for such purchase when they become possible.

As Regards Loans to the Electricity Department.—As the ratepayers pledge all the assets against all the borrowings of the Council and no distinction is made in issuing the loans between one and the other, any distinction between loans for General Purposes and those for the Electricity Department is purely theoretical. What really takes place is that the Council borrows money from the Public and lends some of it to the Electricity Department and it would appear very desirable that this should be clearly shown in the published accounts.

The Committee, therefore, recommends :—

(a.) That the allocation of such and such Debentures to the Electricity Department should be abolished and that moneys lent to the Department should be shown as direct loans.

(b.) That as the Electricity Department benefits by obtaining money on the credit of the Council who also pays all the expenses of the issue of the loan to the Public, the Department should be charged a commission of one per cent per annum over and above the interest the Council has to pay.

(c.) That in respect of New Loans to the Electricity Department the latter shall pay half-yearly to the Council a commission at the rate of one per cent per annum on the amount of its debit balance in addition to an amount equivalent to the annual service of loans repayable, in forty years, under a Sinking Fund, beginning after the seventh year.

(d.) And as regards the Existing Indebtedness which appeared under the heading of Debentures allocated to the Department, and amounted on January 1 to Tls. 5,069,000, a fixed rate of interest of $6\frac{1}{2}$ per cent be paid half-yearly to the Council, the principal amount to be extinguished by payments under a Sinking Fund spread over not more than 25 years.

As regards Sufficiency or Insufficiency of provision against loans or for debt reduction in the past.—The Committee has to point out that the inclusion of the Surplus on Ordinary Budget in Extraordinary Income and the employment of it for exactly the same purposes as the appropriation for loan redemption, also transferred from Ordinary Expenditure to Extraordinary Income, has had the effect of giving a much larger sum for the purposes of provision against loans or debt reduction than is at first apparent. That is to say if the appropriations represent the real calculated amount necessary to redeem the loans in such and such a time, then the actual amount provided is more than three times that. The figures are—

Appropriations 1911-1916	Tls. 826,535
Surpluses of Ordinary Budget 1911-1916 „	1,888,146
Total Provision	„ 2,714,681

L. JEZIERSKI,
CECIL HOLLIDAY,
R. R. HYND,
S. B. NEILL,
PHILIP PEEBLES.

Shanghai, July 7, 1917.

Council Room, Shanghai, July 17, 1917.

SIR,—I have the honour to acknowledge the receipt of the report of the Loan Redemption Committee and to convey to you an expression of the Council's appreciation of the care devoted thereto by yourself and by the members of the Committee.

I have the honour to be, Sir, your obedient servant,
A. S. P. WHITE-COOPER,
Acting Chairman.

Count L. JEZIERSKI,
Chairman, Loan Redemption Committee.

TREASURER'S REPORT ON LOAN REDEMPTION.

General Notes.

(1.) Before proceeding to a detailed examination of the various recommendations of the Special Committee, it is essential that the system of redemption at present in operation in Shanghai and the results obtained thereunder, should be thoroughly understood. It is equally necessary that the objects that provision for loan redemption are intended to serve should be appreciated.

(2.) In the appendix of this report are included extracts from some of the leading authorities on the matter, and it is recommended that due weight should be given to these opinions.

(3.) Provision for loan redemption is intended to serve the following purposes :

(a) To distribute the burden of debt as equitably as possible over present and future ratepayers, having due regard to the fact that the ratepayers of the future will have their own debt burdens to bear in addition to those created by their predecessors.—*Vide* APPENDIX 1.

(b) To provide out of income for the gradual reduction of loan indebtedness, and to effect this in such a way as to cause the minimum disturbance to investors and the money market.

(c) To maintain the financial credit of the Municipality.

(4.) The following methods are available for providing for the repayment of loans :

(a) The creation of a Sinking Fund.

(b) The Annuity System.

(c) The Instalment System.

Although theoretically the creation of a Sinking Fund is an ideal method of providing for loan redemption, there are grave objections to it in practice. The calculations upon which the amount to be annually set aside and invested are based, involve the supposition that a definite rate of interest will be consistently obtained over a certain number of years, and that the securities purchased from time to time, will, on a certain date, many years hence, represent a certain monetary equivalent. These suppositions involve discounting the future to an altogether unjustifiable extent. They may or may not be realized in practice. If the latter, then the whole basis upon which the Sinking Fund was originally calculated is thrown out of gear. In a city with the limited investment facilities of Shanghai, the successful operation of a Sinking Fund is a matter of practical impossibility.

The Annuity System provides for the repayment of loans by equal annual instalments of principal and interest, and, spreading as it does the burden of debt evenly over the term of the loan, is especially suitable for small towns, where the necessity for future borrowings is not anticipated for many years to come.

Under the Instalment System the loans are repaid by equal instalments of principal : the debt charges being thus gradually reduced (under the heading of interest) over the period prescribed.

A comparison of the three systems is given below. In each case the example taken is the repayment of a 6 per cent. loan of Tls. 500 in 10 years.

<i>Instalment System.</i>				<i>Annuity System.</i>		
Year	Principal	Interest	Total	Principal	Interest	Total
	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.
1	50	30	80	37.93	30.00	67.93
2	50	27	77	40.21	27.72	67.93
3	50	24	74	42.62	25.31	67.93
4	50	21	71	45.18	22.75	67.93
5	50	18	68	47.89	20.04	67.93
6	50	15	65	50.76	17.17	67.93
7	50	12	62	53.81	14.12	67.93
8	50	9	59	57.03	10.90	67.93
9	50	6	56	60.46	7.47	67.93
10	50	3	53	64.11	3.82	67.93
Total Revenue Charge			665	Total Revenue Charge		

<i>Sinking Fund.</i>	
	Interest 6 per cent. Tls.
Amount to be set aside	379.34
Interest on loan	300.00
Total Revenue Charge	<u>679.34</u>

SUMMARY.

Total Revenue Charge spread over 10 years.

Instalment Method	665.00
Annuity Method as per Table	679.30
Add—Minor adjustment	.04
	<u>679.34</u>
Sinking Fund	679.34

—Vide APPENDIX 2.

(5.) An investor in municipal debentures looks to the certainty of obtaining a steady income, maintained over a reasonable number of years. It is sufficient for him to know that in 30 years' times his capital will be repaid to him intact, and that in the meantime he need have no anxiety as regards his interest. Any system of redemption that necessitates an annual repayment of a portion of his capital is therefore less attractive to him than a system under which his investment remains undisturbed for 30 years. It is for this reason that a loan issued subject to repayment under the Instalment or Annuity system is less easy to float than one with a Sinking Fund attached.—Vide APPENDIX 3.

(6.) From the foregoing it will be seen that, whereas the Instalment or Annuity methods of loan redemption are more satisfactory from the point of view of the Council, the converse applies in the case of the investor. The practice of the Council in the matter of loan redemption is outlined below and is an attempt to reconcile these conflicting views.

(7.) The Annual Budget of the Municipality is divided into two sections: "Ordinary" and "Extraordinary." The Ordinary Budget includes all recurring expenditure, and any non-recurring expenditure that may be said to be of special value to present, as distinct from future, ratepayers. To the total of these items is added provision for the repayment of loans spread over a period of 20, 30 or 50 years according to the terms upon which the loans were issued. This provision is calculated on the Instalment System. Having ascertained the estimated Ordinary Expenditure, the municipal rates and taxes are then adjusted to meet it. For many years past it has been the practice of the Council to so adjust the rates as to leave a small margin over and above the estimated expenditure. This margin is called the Surplus on the Ordinary Budget and is applied in reduction of any amount it may be necessary to borrow to meet capital expenditure.

The Extraordinary Budget comprises the estimated expenditure on works that are calculated to be equally for the benefit of present and future ratepayers, and which result in the acquisition of either a realizable or non-realizable asset. From the total of this expenditure is deducted the Surplus from the Ordinary Budget, the balance remaining being raised by the issue of debentures.

The steady development of Shanghai has necessitated continued borrowing from year to year, and there are unmistakable indications that this borrowing will be continued, on perhaps a more extensive scale, for many years to come. It is therefore of the utmost importance to frame the terms of debenture issues on lines calculated to be attractive to the investing public. For this reason it has been the custom (when justified by local financial considerations) to apply the redemption appropriation in reduction of current loans instead of the actual repayment of old loans. By this means the total indebtedness of the Municipality has been confined within the narrowest limits, without the necessity of disturbing the holders of old loans.

(8.) Debentures are now being issued subject to redemption after 10 and within 30 years, and the Council has thus the power, should the opportunity arise, of applying the redemption appropriation in the repayment of old loans. On the other hand the exercise of this power could only be justified in a year when no additional loan was required, or when the interest carried by the current loan was less than that carried by its predecessors, otherwise the anomaly would be perpetrated of repaying one loan while issuing another, without anything being gained thereby. Indeed an actual loss would be incurred if the expenses connected with the new loan issue are taken into account.

(9.) It is perfectly true that the application of the redemption appropriation in the manner outlined above does not provide for the gradual reduction of the amounts outstanding under specific loans, and that, therefore, it is possible that a proportion of a 30 years loan of, say, Tls. 1,600,000, issued in 1917, may require to be repaid in 1947 at a time when, conceivably, a loan of, say, Tls. 5,000,000 is required for current purposes. At first sight this contingency undoubtedly appears somewhat alarming. It must be remembered, however, that should the time arrive when comparatively large loans are required for the purposes of the Municipality, there can be very little doubt that the wealth and resources of Shanghai will have expanded in a ratio at least equal to the growth of capital requirements. It is further to be noted that during the period 1917/1947 favourable opportunities may occur for redeeming (either by ballot or on the open market) a portion, or the whole, of the loan floated in 1917.

(10.) Although the recognized methods of loan redemption were originally framed with the object of gradually decreasing the amounts outstanding on particular loans, or of building up funds which would be available when a particular loan fell due for repayment, it must be remembered that at the time these rules were laid down Municipal borrowing was in its infancy. The anomaly of borrowing with one hand while repaying with the other has since been recognized, and local authorities have been empowered for many years past (under Local Acts and Provisional Orders) to apply their redemption funds against the issue of further loans.—*Vide* APPENDIX 4.

Loan Redemption Committee's Report.

(11.) As regards future loans the Committee recommends that (a) the present system be changed in favour of a sinking fund operated by annual drawings commencing after the 7th year, and (b) that the loans shall be for a period of 40 years.

In support of the first proposal, it is contended that the Council's present practice of decreasing current loan issues in preference to the actual repayment of old loans, necessitates undue reliance being placed upon the state of the money market on the actual date a loan falls due for repayment, and further, that the suggested procedure will tend, to a great extent, to maintain the price of loans at or near par.

(12.) The Committee's use of the term "sinking fund" to illustrate its proposals may, possibly, lead to misunderstanding, as the suggested method of repayment is that known in municipal finance as the annuity system. It is true that the term "sinking fund" is used by a few writers on financial subjects to loosely describe any system having for its object the repayment of loans, but in the present instance, it is of the utmost importance to keep clearly in mind the essential differences between the three recognized systems, *e.g.*, the instalment and annuity systems and the sinking fund. Under the two former methods an instalment of principal is annually repaid to debenture holders, while under the latter, the loan runs to maturity, and is eventually redeemed by the sale of securities which have been purchased for that particular purpose. In using the term "sinking fund" the Committee clearly refers to the annuity system, and the discussion can, therefore, be restricted to an analysis of the respective merits of repayment under the instalment and annuity systems.

(13.) Paragraph 4 contains a detailed comparison of the repayment of a 6 per cent. loan of Tls. 500 under both systems. The chief difference between the two lies in their incidence. Under the instalment system the debt charges are gradually reduced over the term of the loan, present ratepayers bearing a heavier share than their successors. The annuity method, on the other hand, provides for an equal share of the load burden being debited the accounts of each year, and the debt charges are, therefore, spread equally over present and future ratepayers.

Although at first sight the latter method appears the more equitable, it must be remembered that most of the items coming under the head of capital expenditure in the Annual Budget of Shanghai, necessitate annual sums being expended on their repairs and maintenance, and that this expenditure becomes heavier with each successive year. Moreover, the annual cost of the upkeep of buildings, bundings, etc., is appreciably higher in Shanghai than in England, by reason of faulty workmanship, unseasoned wood and climatic changes. The annuity system of redemption makes no provision for these very important factors, and although it provides for spreading the debt charges equally over the term of the loan, its practical result is not so equitable as that obtained under the instalment system, whereby the debt charges are gradually decreased to compensate for the increased maintenance charges.

Other convincing reasons in favour of repayment by instalments are to be found in the appendix to this report.

(14.) Prior to 1911 all outstanding debenture issues were subject to redemption by the Council after 5 and within 20 years. As the result of calculations prepared in my office early in 1911, it was demonstrated that the equated life of the assets acquired during the previous 10 years worked out at approximately 43 years, and it was, therefore, suggested that future debenture issues should be subject to redemption within a maximum period of 40 years. The Council, however, decided to be on the safe side in the matter and to limit the redemption period to 30 years.

Calculations for the years 1911/1916 show the equated life of the assets acquired during that period at approximately 41 years, and there is thus some justification in the Committee's proposal that debentures should in future be issued subject to redemption in 40 years. It must be remembered, however, that to fix the interest to be carried by a loan for as long a period as 40 years may not be altogether advisable.

(15.) The Committee's recommendation that the first instalment shall be payable after the 7th year is one that opens up a somewhat important question, as it means that the maximum effect on the rates of large loan issues will not be felt until the eighth year after issue.

There is little doubt that the postponement of instalments for loan redemption may in some individual cases be justified, but to apply the principle to loans issued with a redemption period based on the equated lives of the assets acquired, is open to grave objections. To obtain the necessary authority for the issue of a municipal loan in Shanghai is a very much simpler matter than in England, where the desirability or otherwise of a loan issue is the subject of very close investigation by the Local Government Board. Although there is no suggestion that the ease with which this authority can be obtained here is in any way abused, yet, on the other hand, it is necessary for the greatest care to be used to avoid laying on the shoulders of a future generation, burdens which should more properly be borne by present ratepayers. The best way to keep municipal loan debt within reasonable bounds is to bring home to the ratepayers, by whose authority it is incurred, the actual effect that such debt has upon the finances of the Municipality.

As a general rule English municipalities are required to provide out of income for the repayment of their loans within a year of the actual borrowing. This practice has been in operation in Shanghai for many years past, and it would be regrettable if it were departed from in any way.

(16) I venture to differ with the view expressed by the Committee that repayment by annual drawings would tend to maintain debentures at or near par, and would, therefore, be acceptable to investors.

The repayment of debentures after they have run only, say, 7 or 10 years would, I am convinced, render them unpopular with the average investor, who is, generally speaking more concerned with the security of his principal and obtaining a definite rate of interest, than with occasional fluctuations in the market value of his holding. It is, of course, true that under exceptional circumstances, such as those at present obtaining, any investor would be only too glad to be able to realize par for his security, in order to avail himself of the high rate of exchange for sterling investment. It is also probably true that as a loan neared maturity the effect of annual drawings would commence to make itself felt, but I question whether this effect would be at all noticeable during the initial years of the loan. In any event I am unable to appreciate the importance that the Committee apparently attaches to maintaining the market quotations for debentures. At the present time the market rate for money appears to be a fraction over 7 per cent. It is, therefore, hardly a matter for surprise that 5 per cent, or 5½ per cent, debentures, with some years yet to run, should be quoted at a heavy discount. Any scheme having for its object the maintenance of such debentures at or near par, at the present time, must inevitably entail an increased financial burden on the Municipality. It is difficult to see any reason why such a burden should be shouldered.

Another argument against redemption by annual drawings is to be found in the fact that in order to control the flow of money into the municipal coffers, it is necessary from time to time to attach a temporary premium to debenture issues. An investor who has paid a premium of from 1 per cent to 2 per cent would certainly not be pleased if ten years afterwards (the times being normal) his money were returned to him at par.

(17) The Committee rightly points out that all loans issued by the Council are identical in their terms, irrespective as to whether they are issued for Electricity or General Purposes, and that what actually takes place, is that the Council borrows money from the public and lends some of it to the Electricity

Department. The implication contained in the Committee's Report that this position is not clearly reflected in the Accounts does not, however, appear to be supported by the actual facts.

In the Balance Sheets for 1908 and preceding years the loans issued on account of the Electricity Department and for General Purposes did certainly appear as separate entities, but the fallacy of this grouping was realized and adjusted in the Balance Sheets for the following years.

Extracts from the General and Electricity Balance Sheets as at December 31, 1916, are given below.

GENERAL BALANCE SHEET.

Liabilities.

To SILVER LOANS :—

			Tls.	Tls.
Loan of 1897 at 5 per cent. ...	...	...	268,400	
„ 1900 „ 5½ „ ...	...	...	31,700	
„ etc., etc., ...	...	...	—	
				<u>8,169,100</u>

Allocation of Loans, as under
General Purposes.

Loans at 5 per cent.	268,400	
„ 5½ „ ...	1,056,700	
„ 6 „ ...	1,775,000	3,100,100

Electricity Department ;

Loans at 5½ per cent.	1,175,000	
„ 6 „ ...	3,894,000	
		<u>5,069,000</u>
		<u>8,169,100</u>

ELECTRICITY BALANCE SHEET.

Liabilities.

To Loans from General Funds :—

			Tls.	Tls.
At December 31, 1915 ...	...	...	3,819,000	
Issued during the year ...	...	...	1,250,000	
				<u>5,069,000</u>

Note : The interest carried by the above Loans is as undernoted :

			Tls.
Loans at 5½ per cent. ...	1,175,000		
„ 6 „ ...	3,894,000		
			<u>5,069,000</u>

(18) It does not follow, however, that because no difference exists between loans issued for General and Electricity Purposes, that, therefore, the question of providing for their redemption rests on a similar basis. The question of the redemption of debentures issued on account of the Electricity Department has in fact to be considered from an entirely different aspect.

(19) Every year the Revenue Account of the Electricity Department is debited with a more or less adequate depreciation charge. The amount standing at credit of Depreciation Account on December 31, 1916, represents over 5 per cent of the Capital Outlay of the Undertaking, *i.e.*, the assets (taken as a whole) are replaced once in every 20 years. In addition to this the Department has a Reserve Account of Tls. 1,054,788, or Tls. 1,393,597 if the profit for 1916, which has not yet been allocated, is added thereto.

The latter figure represents over 18 per cent of the Capital Outlay and can be regarded as a Reserve against contingencies and obsolescence.

(20) Depreciation is a provision out of revenue for spreading the cost of wasting assets as equally as possible over the years in which the assets are revenue producing, and is, therefore, a revenue charge to

exactly the same extent as wages or any other current expenditure of an undertaking. The true profit of an undertaking cannot be ascertained until depreciation has been charged. Provision for loan redemption, on the other hand, is an allocation of profits.

(21) In the case of the majority of municipally controlled industrial undertakings in England, provision for loan redemption is made to serve the purpose of depreciation, except, that where it works out at less than a reasonable depreciation figure it is to that extent increased. The reason for this somewhat equivocal policy is to be traced to the fact, that while provision for loan redemption is compulsory, there is no legal enactment rendering it necessary to provide for depreciation. The practice of the English municipalities in this matter is far from satisfactory and has given rise to a good deal of confusion of thought.

Mr. Arthur Collins, A.S.A.A., in his book on "The Organization and Audit of Local Authorities' Accounts" discusses the question at some length, and concludes his arguments with the following words:—

"The ideal principle to adopt is to provide adequate depreciation and in addition to provide gradually for the redemption of debt (say in 100 years or so).

"This was the principle propounded by many expert witnesses to the Joint Select Committee on Municipal Trading (1908) and which the Committee appeared to view with much favour, for it ensures both that the debt shall not be allowed to become permanent and that the depreciation shall be considered as it should be, quite apart from the question of a Sinking Fund."

(22) The exceptionally sound financial position enjoyed by the Council's Electricity Department has been built up, to a very great extent, by the conservative policy adopted in the matter of depreciation and other reserves. It would be very undesirable to in any way alter this policy, by substituting a provision for loan redemption in place of depreciation, or by any compromise which might result in decreasing the present depreciation rates. On the other hand to maintain the depreciation charge on its existing basis, and to at the same time provide for the redemption of the Department's loans within 40 years from the date of their issue, as is recommended by the Committee, would ultimately result in presenting the ratepayers of 40 years hence with an up-to-date revenue producing concern free of all outstanding debt. It is submitted that such a policy is neither necessary nor in any way desirable.

(23) The Committee further recommends that the Department should be charged a commission of 1 per cent per annum over and above the interest the Council has to pay on its loans, and states as its reason for this recommendation that the "Department benefits by obtaining money on the credit of the Council who also pays all the expenses of the issue of the loan to the Public." This statement appears to be based on a misapprehension and is only partly correct. The direct expenses (brokerage and discount) on loans raised on account of the Electricity Department are debited to the Department, while the indirect expenses are *inter alia* compounded in an annual charge to the Department at present amounting to Tls. 2,800. The Department unquestionably benefits by obtaining money on the Council's credit, but why should it not, seeing that it is owned and controlled by the ratepayers?

The consolidation of existing loans issued on account of the Electricity Department recommended by the Committee, while, in my opinion, undesirable in connexion with the interest charge, would, nevertheless, considerably simplify matters as regards provision for loan redemption.

Summary and Recommendations by Treasurer.

(24). The difficulties in connexion with the question of loan redemption can be divided under two separate and distinct headings.

(a.) The provision out of Income of an annual sum calculated to spread the burden of debt as equitably as possible over present and future ratepayers.

(b.) The best method of applying such provision to the repayment of debt.

(25). The foregoing notes serve to conclusively prove, that the basis for calculating the provision, as regards Shanghai, should unquestionably be the instalment method. Not only is this method the most equitable for such a rapidly developing town, but it also provides that automatic check on extravagant capital outlay, that is so essential to a community with a transient population, particularly, where there is no unbiased financial authority to watch over the claims of posterity. The absence of such an authority in Shanghai, renders the Council's position in the matter one of peculiar difficulty, as the arguments in favour of relieving the burden of present ratepayers are apt to be given undue weight by their proposers. Posterity cannot

speak for itself, but it nevertheless has very definite claims on the present generation. It is, however, by no means a popular duty to insist on these claims being recognized.

(26). The arguments in favour of the instalment method for calculating the appropriation for loans issued for General Purposes, apply with equal force to loans contracted on account of the Electricity Department, except, that as the interest on these loans is borne by the Undertaking, which also provides for the adequate depreciation of its assets, the period for redeeming the loans can be considerably extended. This suggestion does not imply that loans should be issued for a longer period than 30 or 40 years, but that the revenue provision for their redemption should be spread over 60 or 80 years, which would, of course, mean that when the time arrived for their repayment a proportion of the original loan would need to be replaced out of the proceeds of another issue.

(27). Perhaps the most difficult problem to solve in connexion with the whole question of loan redemption, is the choice of the best method of applying the redemption appropriation once an equitable basis for its calculation has been decided upon.

It has already been shown that to apply the instalment or annuity methods strictly according to theory would render the placing of loans difficult, by reason of the fact that the average investor does not want his capital returned to him piecemeal, and so be put to the trouble of finding fresh investments for comparatively small amounts. In addition to this, there can be no two opinions as to the financial unsoundness of repaying and issuing a loan at one and the same time, unless there is a resulting gain.

The practice followed by the Council in recent years in connexion with the application of the redemption appropriation has been outlined in preceding paragraphs, and is an adaptation of the instalment method variously described as a "non-accumulating Sinking Fund" or a "redemption fund."

The following extracts from standard works on the subject explain the object and working of these funds :

EXTRACT FROM "TABLES FOR REPAYMENT OF LOANS" BY J. A. ARCHER.

"It may be added that it is usual to insert in the Provisional Orders of the Local Government Board investing Local Authorities with borrowing powers, an alternative method of repayment described as a 'non-accumulating Sinking Fund.' If the loan is to be repaid in a period of say, 50 years, one fiftieth of the loan must be paid into the Sinking Fund in each year. The payments, if not immediately applied to the redemption of the loan, must be invested, but the interest on the investments may be appropriated towards the equal annual payments to the Fund. The effect of this method of repayment is in many respects similar to the instalment method, and would be identical in its operation if the payments could be wholly applied at once to the discharge of the loan. The non-accumulating Sinking Fund bears, in fact, the same relation to the instalment method as the accumulating Sinking Fund bears to the annuity method. Since the payments into the Fund are independent of the interest on investments the Local Authority is rid of all anxiety as to the rate of accumulation being maintained, but there is the same risk as in the case of an accumulating Sinking Fund of a depreciation in the value of the investments causing a deficit in the Fund at the time when it is required for the final redemption of the loan."

EXTRACT FROM "THE REPAYMENT OF LOCAL AND OTHER LOANS" BY E. H. TURNER, A.C.A.

"Any surplus or deficiency in an accumulating fund should be credited to, or charged against, the revenue or rate account of each year, but this entails considerable labour and it is one of the objects of the non-accumulating Sinking Fund to avoid this by providing an automatic accurate accumulation of the fund irrespective of the rate of income received on the investments representing the fund. The basis of the method is the instalment system where each year a definite sum is charged to the revenue or rate account and repaid to the lender. The annual instalment in the case of the non-accumulating Sinking Fund is calculated precisely as in the instalment method, namely, by dividing the amount of the loan by the number of years in the repayment period. But in this case the annual instalment of principal is not repaid to the lender, but is invested by the local authority in order to provide the amount of the loan at the end of the period. Seeing that the total amount of the loan is provided by the actual equal annual charges to revenue or rate, it is obvious that the income arising from the investments representing the fund need not be added to the fund. As

regards the ratepayer, the non-accumulating fund will have all the disadvantages of the instalment method already pointed out. The lender, on the contrary, will be in a better position since he obtains a permanent investment and is relieved of the periodical reinvestment of small amounts of capital. The actual method by which the local authority provides the sinking fund has not any particular interest to him."

In view of the fact that the Council has issued an annual loan for the past eleven consecutive years, no suitable opportunity has occurred (except in two instances), nor has the necessity arisen, for the investment of the redemption appropriation in outside securities. In 1913 money was plentiful, and a $5\frac{1}{2}$ per cent. loan of Tls. 500,000 was floated in addition to one carrying 6 per cent. amounting to Tls. 756,300.

The average issue price of the latter (inclusive of brokerage) worked out at Tls. 105.52 per cent. In order to take the fullest advantage of these conditions the unexpended balance of the redemption appropriation (Tls. 93,700) was transferred to the Balance Sheet and temporarily invested. Similar financial conditions obtained in 1914 when a $5\frac{1}{2}$ per cent. loan of Tls. 900,000 was floated, at an average issue price of Tls. 101.79 per cent., consequently the unexpended balance of the redemption appropriation (Tls. 150,210) was again transferred to the Balance Sheet and invested. In cases when the appropriation has been transferred to Extraordinary Income, this has been done by a direct transfer from Redemption of Debentures to Extraordinary Income. It might, perhaps, have been clearer had the transfer in the first place been made to a Redemption Fund and thence to Extraordinary Income, although in every case the Treasurer's Report has explained the transaction by the words "in place of issuing a similar amount of the current year's loan." It is also to be noted that the Treasurer's Report for 1911 included a paragraph which discussed the matter at some length.

It must be clearly understood that the policy followed by the Council in the matter of applying the redemption appropriation is not by any means limited to the measures taken in the past; if in any year no loan were issued the appropriation could either be (a) temporarily invested, (b) expended by the purchase of debentures on the market, or (c) by the actual calling in of debentures under a ballot.

The whole question seems to resolve itself into a decision as to whether it is sound finance to run the risk of being unable to raise money from the public at a time when a loan falls due for repayment, and in this connexion the following extracts from a paper read before the Glasgow Chartered Accountants Students' Society in 1909, by Mr. Alex. Murray, C.A., ex City Treasurer of Glasgow, are of considerable interest :

"The Sinking Fund is thus really used to save new permanent borrowing. It cannot possibly result in a loss either of interest or capital when it is used in that way. On the contrary, the effect almost invariably is a saving of interest.

"But while this was the practice, and I suppose also the law, both in Glasgow and Edinburgh, the position until recently was very different in most of the boroughs in England. There the Corporations were very much hampered in the use of their Sinking Funds. By their local Acts, and the regulations of the Local Government Board, they might transfer part of a stock, equal to the amount of the Sinking Fund, from an old borrowing power to a new borrowing power, and then questions arose as to whether the transfer should be at par or at the market price of the day; or they might use the fund in buying up and cancelling stock, or invest it in statutory securities; but in the one case the stock could not always be got, and in the other there was inconvenience and risk of loss. And so some corporations began to ask themselves why they should not be allowed to use their accumulated Sinking Funds in the exercise of new borrowing powers. It seemed to them absurd to be compelled to borrow money when they had money of their own seeking investment.

"Accordingly one local authority after another came to Parliament for powers to use their Sinking Funds for new capital expenditure and Parliament had no difficulty in giving the requisite clauses.

"The first to get the clause was the burgh of St. Helens, and that was only in 1898. Since then quite a number of other burghs have obtained similar clauses; until now this liberty to use Sinking Funds in the exercise of new borrowing powers may be said to be possessed by all the English municipalities. It is not to be supposed, however, that the practice is universally approved.

"On the contrary, at the very time that the English corporations were pressing to obtain the right or privilege so long enjoyed by Glasgow, some very severe strictures of the Glasgow practice

were made by some of our own citizens, who now and again criticise the management of our municipal affairs. On this occasion they challenged the soundness of the finances of the corporation, especially in the matter of its dealings with its Sinking Funds.

"They alleged that the Sinking Funds existed only on paper, were mere bookkeeping entries, and so on : and in proof of these assertions they pointed to the undeniable fact that the debt of the city, so far from being reduced, was mounting up by leaps and bounds. And when it was explained to them that this was caused by the large amount of new capital expenditure incurred during these years, and that but for the use made of the Sinking Funds the debt would have been greater still, their answer was that the corporation had no right to apply the Sinking Fund moneys towards such expenditure—that it was bad finance, and of doubtful legality—and that the Sinking Funds should have been invested in Consols or other first class securities, so as to be available for the redemption of corporation loans when they fell due.

"It is interesting to find that no sooner had the English corporations begun to follow in the footsteps of Glasgow than a similar outcry arose in England, although this time the objections seem to have originated in the London Stock Exchange, and were put forward professedly in the interest of the stock-holders. It has also to be said that there were in several instances good grounds for the objection, for some of the English corporations, in the prospectuses of their stock issues, had given the public to understand that the Sinking Funds were to be specially invested so as to be available to meet the loan or stock at maturity. And in such a case, whether affecting the value of the security or not, it would have been very like a breach of trust if the Sinking Funds were otherwise disposed of. Anyway a considerable agitation was got up, and only a little more than a year ago Parliament appointed a Select Committee to enquire into the whole subject. The Committee took evidence and recently issued its report.

"Some of the witnesses who gave evidence before the Select Committee raised many interesting points, which we cannot even glance at in this paper, but we recommend those who would wish to study the question to a careful perusal of the Blue-book.

"The leading conclusion of the Committee's report, and the one which chiefly concerns us, is as follows :—'The principle of utilizing the Sinking Funds (including Loans Funds and Redemption Funds) for purposes for which local authorities have borrowing powers is, if properly safeguarded, financially unobjectionable ; and the power of so using these funds is undoubtedly a great advantage, inasmuch as it affords a convenient and economical method of exercising new borrowing powers, without either injuring the credit of the local authority or prejudicing the rights of the lender.'

"One of the objections urged against this method of financing is that it encourages corporations to spend money more freely than they would do if they had to go into the market to borrow for each new expenditure of capital. The answer is that all such expenditure must be within the borrowing powers, and whenever any Sinking Fund moneys are used to save fresh borrowing, the borrowing powers are proportionately reduced. The check upon extravagance, therefore, is operated by the exhaustion of the borrowing powers, and the necessity of going to Parliament from time to time for additional powers. I may add that, in recent years, Parliamentary Committees have been in the habit of scrutinising very carefully every application for new borrowing powers, and, of course, all such applications are advertised and open to the criticism of the ratepayers, of whom, happily, we have a few who always watch what is going on.

"Another objection urged against this use of the Sinking Fund moneys is that when a redeemable corporation stock becomes due there will be no provision for meeting it, and the corporation may require to issue a fresh loan or borrow in some other way at a time when money may be dear. There is some force in this objection as the Corporation of Glasgow found by experience, when, in 1907, it was called upon to redeem its 3½ per cent. stock, amounting to £1,100,000. As a matter of fact the market was then unfavourable and the new loan had to be placed at 3½ per cent. interest. A similar difficulty may arise in 1914, when £2,200,000 of 3½ per cent. stock will fall to be redeemed. That undoubtedly is fitted to cause some anxiety, and one can only hope that by 1914 the fates will be propitious. It must not be forgotten, however, that with a Sinking Fund approaching £400,000 per annum, and the prospect of diminished capital expenditure, a large amount of temporary loans

and mortgages should be paid off during the next four years, thereby making it easier for the corporation to finance the amount required to meet the maturing stock; and in any case the money can be got at the current rate.

"It may be asked then; What advantage does the lender get from the Sinking Fund, if it is not to be specially invested to meet his loan? The answer is that his security is being improved: the corporation assets in proportion to liabilities are being year by year increased. A lender may not be able to know to what extent this is so—it depends on what proportion of the assets is wasting and what proportion permanent, and also on whether there are adequate Depreciation as well as Sinking Funds. Suppose a million has been borrowed and expended upon various kinds of Municipal undertakings—say, parks, streets, tramways, and electricity works with Sinking Fund periods ranging from twenty to forty years. The lenders have the satisfaction of knowing that at the end of forty years all these assets will be free of debt, and therefore the proportion of the corporation assets to its liabilities will to that extent be better than it is to-day, less what has been lost by waste. And if that waste is being met by adequate Depreciation Funds the financial position of the corporation will have improved, other things being equal, by a million.

"I see that the Select Committee recommend that in those cases in which a stock is required to be extinguished at a fixed date, any amounts withdrawn from the Sinking Fund should, as a general rule, be replaced at that date, although they recognize that this may operate disadvantageously during the latter part of the life of the stock. There is no doubt that the disadvantage might be considerable, for it would mean that for some years prior to the maturity of the stock the corporation would be unable to use the Sinking Fund moneys for its own capital purposes, and run the risk of loss of principal in any investments it might make of these funds, or submit to a loss of interest if it made no investments. It is, therefore, a choice of evils, and corporations in the position of having to pay off a stock at a fixed date must consider whether it is safer to run the risk of a loss on their Sinking Fund accumulations or have no fund in hand to meet their obligations when they fall due. The Select Committee seem to incline to the view that the first alternative may in most cases be the safer, and I agree. At the same time it may interest you to know what I find from a calculation made up by the City Registrar is the case, that if the Corporation of Glasgow had invested its Sinking Funds year by year in Consols for the last twenty years, the loss at present prices would have amounted to half a million.

"But the proper precaution against being placed at a disadvantage when a stock comes to be redeemed is not the accumulation and investing of the Sinking Funds, but the issue of stock, redeemable at the option of the corporation. Most of the stocks issued in recent years are subject to such a condition. The whole of the London County Council's Consolidated $2\frac{1}{2}$ per cent. and 3 per cent. Stocks are redeemable at the Council's option at one year's notice after 1920, and its $3\frac{1}{2}$ per cent. Stock after 1929: but as a matter of fact they are not compulsorily redeemable at all. The Glasgow Corporation $2\frac{1}{2}$ per cent. Stocks are redeemable at the option of the corporation—one in 1910 to 1925, the other in 1925 to 1940, i.e., as I take it, they may be redeemed in the earlier year or in any year thereafter, but must be redeemed by the last year of the option period. There is difference of opinion as to the exact meaning of the word 'redeemable,' some maintaining that it only means that the stock may be redeemed if the issuing authority chooses, others holding that it implies an obligation to redeem on the date specified. The question arose in connexion with stocks recently matured, including the Glasgow 1907 Stock, and the opportunity was taken by the Glasgow Corporation of passing a formal resolution to the effect that in the case of its loans 'redeemable' means 'will be redeemed.'"

In a paper read before the Institute of Municipal Treasurers in 1910, Mr. T. E. Robinson, C.A., the City Registrar of Glasgow, with reference to the redemption of Glasgow Corporation $3\frac{1}{2}$ per cent. Stock issued in 1887/8 and redeemed on November, 11, 1907, said:—

"So far as I am aware the maturity of this $3\frac{1}{2}$ per cent. stock was the first occasion in the United Kingdom of the maturity of a Municipal Stock created under the powers granted by Modern Loans Acts, and there was no precedent to guide me or my Committee. The occasion was, therefore, one of no small anxiety as all the arrangements had to be carried through at the Scotch half-yearly

Term of Martinmas, and most of those present know that these terms are always periods of hard work and great pressure for all financial officers, bankers and solicitors north of the Tweed.

"In conclusion, I think the result of Glasgow's experience of a 'Black Friday' fully supports the sane opinions of the Municipal witnesses who appeared before the 'Select Committee on the application of Sinking Funds in exercise of Borrowing Powers,' and does not support the pessimistic evidence of the Stockbroking witnesses and of one or two Government Officials. It is beyond the scope of this short paper to take up the interesting points raised before the Committee, but I may be allowed to say that I consider their Report very sound on the whole and that the greater part of the evidence they heard was most instructive and valuable to financial officers. Nothing in this experience of Glasgow's Stock maturity need discourage Municipalities. If a Corporation is in good credit and offers Stock or Mortgages at the fair market rate of the day to holders of a Stock about to mature, I would expect two-thirds in amount to accept, and the balance will be got from new lenders unless the Money Market is in such an abnormal state as would make even an issue of Consols unsuccessful."

(28) I have now to make the following specific recommendations :

(1) That all future loans issued by the Council shall be redeemable (at the option of the Council) within not less than 10 years and not more than 40 years of the date of issue.

(2) That the yearly appropriation for the redemption of future loans shall :—

(a) In the case of those issued for General Purposes be calculated on the Instalment system spread over a period of 40 years, and the first instalment shall be provided the year following the issue of the loan.

(b) In the case of those issued for purposes of the Electricity Department be calculated on the Instalment System spread over a period of 60 years and that the first instalment shall be provided the year following the issue of the loan.

(3) That the yearly appropriation for the redemption of existing loans shall :—

(a) In the case of those issued for General Purposes be calculated on the Instalment System spread over a period of 20, 30 or 50 years according to the conditions of their issue.

(b) In the case of those issued for purposes of the Electricity Department be calculated on the Instalment System spread over a period of 55 years from January 1, 1918, and that for the purpose of this calculation the loans outstanding on December 31, 1917, shall be consolidated.

(4) That the annual appropriations set aside for the redemption of debt shall be, in the first place, credited to a Redemption Fund and shall be expended in one or other of the following ways :—

(a) In substitution of borrowing powers.

(b) By purchase of Municipal Debentures on the open market when the securities can be obtained at rates favourable to the Council.

(c) By the actual calling in and repayment of loans under a ballot.

(d) By temporary investment.

Conclusion.

(29) There is very little doubt in my mind, that for many years to come it will be quite impossible to successfully float the Council's loans in any other country than China. The loans now outstanding are held by comparatively few investors, and it is, in my opinion, of vital importance that every effort should be made to maintain the credit of the Municipality, and the popularity of its loan issues, at their present exceptionally high level. The fact that during the current year the Council has succeeded in placing debentures to the value of over £1s. 1,000,000 in the face of the most adverse conditions it is possible to imagine, is adequate proof of the confidence felt by the investing public in the financial administration of the Settlement.

This confidence once shaken by any injudicious change in the policy of loan redemption would take many years to restore.

With regard to the practice that has obtained for many years past of applying any Surplus on the Ordinary Budget in reduction of the loan that may be necessary to meet capital requirements, I have to point out that this procedure has not only resulted in maintaining the Rates on a stable basis for the past

10 years, but is also largely responsible for the high credit enjoyed by the Municipality. In connexion with the matter, Mr. Landale's remarks when introducing the Budget of 1908 are of particular interest :—

"In spite of the excisions of the Finance Committee we have been unable to carry out the instructions which you gave us last year, and at the same time to maintain that surplus of ordinary income over expenditure which has been the most satisfactory feature of recent Municipal Budgets, and which is the basis of our borrowing facilities."

E. F. GOODALE, A.C.A.,

Municipal Treasurer.

October 22, 1917.

Appendix.

LIST OF AUTHORITIES QUOTED.

- (a.) "Report of the Select Committee on Repayment of Loans by Local Authorities."
- (b.) "Archer's Tables for the Repayment of Loans, etc." By J. A. Archer, Fellow of the Institute of Actuaries (formerly of the Public Works Loan Office.)
- (c.) "Loans of Local Authorities." By George Biddell.
- (d.) "The Financial System of the United Kingdom." By Henry Higgs, C.B.

(1.)—EXTRACT FROM "a."

Future ratepayers will have duties of their own to deal with for which they in their turn will have to borrow money and to the extent to which the financial engagements now entered into at their expense prove to exceed the advantages received by them in respect of those engagements will be hampered in the discharge of their duties.

The Committee, in view of the increase of local debt, consider that the only sound system is that which makes each generation pay to a considerable extent its own way. Very long periods of repayment have a distinct tendency to lessen the care taken by those who raise money by loans to make the amount of the loans as small as possible.

(2.)—EXTRACT FROM "a."

The case for an extension of the statutory maximum periods (for repayment) and for suggesting to Government Departments a less cautious exercise of their discretion has been presented by witnesses appointed by the Municipal Corporations Association.

The witnesses who appeared on behalf of local authorities were undoubtedly mainly, though not exclusively, concerned in watching over the financial interests of present ratepayers. It was impossible to obtain the assistance of any witnesses concerned to a similar degree in considering the interests of posterity. The claims of posterity were fully stated by representatives of the Government Departments.

Most of the municipal witnesses from England and Ireland have expressed a preference for either the Sinking Fund or Annuity Systems of repayment, but Lord Welby and the witnesses from Edinburgh and Glasgow differed from this view, and desired the more general adoption of the Instalment System, which involves a much smaller payment in respect of capital and interest than either of the others, though the burden imposed upon it in the earlier years of repayment is heavier.

EXTRACT FROM "b."

On the whole unless there are exceptional circumstances which necessitate the annuity plan, the balance of the argument would appear to be in favour of the instalment method. Even where the benefits are sustained throughout the period sanctioned for the repayment of the loan, and the annuity method would be irreproachable in theory, it is a sound economical policy to take up the heavier burden at once, since the future may be relied upon to bring with it onerous obligations of its own.

EXTRACT FROM "c."

As is the case in almost all affairs connected with the borrowing and repayment of money, no hard and fast rule can be laid down, nor would it be wise to absolutely condemn or unreservedly approve any one system. Without doubt the instalment system is, under certain circumstances, preferable to the annuity system. Let us assume that a district is not at present heavily rated, but the local authority presiding over

it is aware that in eight or ten years time it will be necessary to undertake great expenditure in respect of some work, such as a new scheme of sewerage and sewage disposal. In that case prudence would suggest that any loans which are now required to be raised should be made repayable by instalments, so that by the time the cost of the new scheme falls upon the ratepayers, the charges in respect of these loans would be easing off.

(3.)—EXTRACT FROM “a.”

There is a more limited market for loans repayable by instalments owing to the objection which the individual lender as a rule entertains to receiving back his capital in this way. As a consequence it may not be possible to borrow upon quite such advantageous terms as in the case where the loan is to be repaid in full at the end of a fixed period.

(4.)—EXTRACT FROM “a.”

Up to March 31, 1901, the Corporations of 21 provincial boroughs had been empowered by Local Acts and Provincial Orders to use moneys in the loans funds or redemption funds set aside for the redemption of stock in the exercise of authorized borrowing powers, instead of issuing further stock. The total amount which had been taken out of the funds up to that date in exercise of these powers, as shown by Returns made to the Board was £1,297,000.

EXTRACT FROM “d.”

To avoid the simultaneous creation and repayment of debt the New Sinking Fund has more than once been suspended, *e.g.* by the Finance Act 1900.

THE COMMENTS OF THE LOAN REDEMPTION COMMITTEE ON THE MUNICIPAL TREASURER'S REPORT ON LOAN REDEMPTION, DATED OCTOBER 22, 1917.

In accordance with the request of the Council, the Committee give herein their comments on the Treasurer's Report on Loan Redemption, dated October 22, 1917.

For convenience of reference the paragraphs in the Treasurer's report are dealt with as far as possible in the order in which they appear in his report, and the figures preceding the following paragraphs give the references to the paragraphs in the Treasurer's Report.

(a.) *Par. 3.*—The Committee, while agreeing that due regard must be given to the fact that the ratepayers of the future will have their own debt burdens to bear in addition to those created by their predecessors, consider that it must be remembered that to-day's ratepayers are bearing burdens and are extinguishing debts, contracted by previous ratepayers, and further that a considerable proportion of the debt contracted at the present time is to pay for improvements which will only become fully productive in the future. To this point reference will be made in dealing with another paragraph.

(b.) *Par. 4.*—Comparison of the total revenue charges under the Instalment, Annuity and Sinking Fund systems may be misleading, because it would appear that there is a saving if the instalment plan is adopted. While the Council continues to borrow, money in its control will have some value, and consequently the Council can make some use of the Tls. 12.07, being the difference between the amount repayable the first year under the instalment system and the annuity system, as outlined in paragraph 4, and can make use of other similar sums. The investment of these sums at 6 per cent would exactly offset the apparent advantage shown in favour of the instalment system.

(c.) *Par. 5.*—The Committee, in their report of July 7, 1917, stated:—

“As the average Investor in Debentures wishes to be sure of his capital and also sure, as far as possible, that he will obtain par if he wishes to sell out, the application of a system of gradual repayment of Debentures over the term of their life which would tend to a great extent to keep the securities at par, would to that extent be acceptable to investors.”

The opinion of the Treasurer, as expressed in his paragraph 5, is in direct opposition to the expression quoted above of the considered opinion of this Committee.

(d.) *Par. 7.*—The Treasurer states that it has been the practice of the Council to so adjust rates and taxes as to leave a small margin over and above the estimated ordinary expenditure. The Committee would point out that the margin referred to as small, amounted in 1916 to Tls. 407,578, or over 12 per

cent of the total ordinary income; further that the report deals with loan redemption, and the margin is more than double the amount of the redemption appropriation as calculated by the Treasurer. The Committee are of opinion that taking these facts into consideration, the use of the word "small" is not justified.

In reading paragraph 7, it must not be overlooked that the surplus for a number of years past has been so great in comparison with the provision for loan redemption that any alteration in the method of making that provision would have had no effect whatever upon the rates.

(e.) *Pars. 7, 8, 9, 10 and 27.*—In paragraph 8 the Treasurer speaks of perpetrating the anomaly of repaying one loan while issuing another. He refers to this anomaly in several later paragraphs. The Committee are of opinion that there is no anomaly in repaying one loan while issuing another. Under the present system which the Treasurer defends, an amount is calculated and provided under redemption appropriation, which if applied to existing loans in repayment thereof at par, would extinguish all the loans at the expiration of their various terms. This redemption appropriation, however, is not applied to extinguish present debt, although voted for that purpose. It is used in the reduction of new debt. In actual fact what takes place therefore is that instead of a new loan being issued, old loans are renewed, and no provision is made for the redemption of any loan during its currency. The redemption of any loan under the present system is dependent upon the ability of the Council to float a new loan in the year of redemption.

This Committee, therefore, differ from the Treasurer when he states in paragraph 27 that there can be no two opinions as to the financial unsoundness of repaying and issuing a loan at one and the same time, unless there is a resulting gain. They suggest that a better statement of the case would be that there is nothing unsound in repaying and issuing a loan at one and the same time, unless there is a resulting loss, and that to repay a loan falling due in a given number of years, and at the same time issue a loan falling due at a later date, is a sound financial operation. It is to be remembered also that the system now in use and recommended by the Treasurer, is one which automatically compels the issue of a new loan whenever an old loan is repaid.

One of the authorities quoted by the Treasurer, namely Mr. Alexander Murray, ex-City Treasurer of Glasgow, may be quoted at this point, first noting that under the system proposed by this Committee, under which the loans would be extinguished by annual drawings under the operation of a Sinking Fund, the Sinking Fund is in fact invested in the security it is intended to extinguish, and the purchases are made at par, so that there is no difficulty regarding the investment of the Sinking Fund. Mr. Murray says:—

"It is therefore a choice of evils, and Corporations in the position of having to pay off a stock at a fixed date must consider whether it is safer to run the risk of a loss on their Sinking Fund accumulations or have no Sinking Fund to meet their obligations when they fall due."

The system advocated by this Committee avoids both evils.

The Committee note that in paragraph 10 the Treasurer refers to local authorities having for many years past been empowered to apply their redemption funds against the issue of further loans. According to Appendix 4, the total amount which had been used in this manner was £1,297,000. This it is to be noted is the total of the sums so applied for a number of years. Spread over a number of years, the annual sum is very small when we consider that one city alone, Bristol, has three loans outstanding, each for a larger sum than the sum mentioned.

Of 301 Corporation and County securities quoted in the Stock Exchange Official Intelligence of 1916, mortgages being excluded, two hundred and fifty-three had been reduced by repayments or repurchases during the currency of the loans, forty-eight only had not been reduced. This Committee are of opinion that the popularity of the Municipal debentures would suffer if it were generally known that the system of making provision for redemption of the loan was that adopted by only a minority of Municipal bodies, and possibly by a small minority.

(f.) *Pars. 8, 9 and 16.*—The Committee have had before them the Treasurer's report of January 26, 1911, to the Finance Committee on the Instalment System of Loan Redemption, in which the following statement occurred:—

"It will be noted that although the Council has already a general power (after the expiration of 10 years) to call in and redeem a proportion of each outstanding loan, it would be necessary to make the clause more specific before exercising it,"

The Treasurer states in paragraph 16 of his present report :—

“ Another argument against redemption by annual drawings is to be found in the fact that in order to control the flow of money into the Municipal coffers, it is necessary from time to time to attach a temporary premium to debenture issues. An investor who has paid a premium of from 1 per cent. to 2 per cent. would certainly not be pleased if ten years afterwards (the times being normal) his money were returned to him at par.”

But in paragraph 8 he says :—

“ Debentures are now being issued subject to redemption after 10 and within 30 years, and the Council has thus the power, should the opportunity arise, of applying the redemption appropriation in the repayment of old loans.”

and in paragraph 9 :—

“ It is further to be noted that during the period 1917/1947, favourable opportunities may occur for redeeming (either by ballot or in the open market) a portion or the whole of the loan floated in 1917.” These extracts put together do not make satisfactory reading.

The Treasurer, in Paragraph 9, discounts the future to an extent which is not reconcilable with his remarks in the note on Sinking Fund, in par. 4. This discounting of the future is, in this case, in the opinion of the Committee, serious, and is the main reason for the weakness of the existing method of Loan Redemption inasmuch as no provision for redeeming loans before maturity is made.

In paragraph 9, mention is made of favourable opportunities for redeeming by ballot or in the open market a portion or the whole of a loan floated. With regard to the redemption in the open market, this Committee take it that a favourable opportunity for purchase of a loan in the open market would be when the loan was below par. Following the system outlined by the Treasurer, they take it that the redemption appropriation in previous years would have been used in the reduction of new loans, so that the only money available in any particular year for redeeming in the open market, would be the redemption appropriation for that year. The fact, however, of the debentures being below par, would be an indication that the market was unfavourable for the flotation of a new loan, so that that particular year would be a year when it would be inadvisable to depart from the usual plan of utilizing the redemption appropriation in the reduction of new loans, unless in that year the Council were not obliged to issue a new loan.

(g) *Par. 12.*—The Committee in using in their original report of July 7, 1917, the words “ Repayable by annual drawings commencing after the seventh year under the operation of the Sinking Fund ” were employing phraseology known and understood in the financial world.

(h) *Pars. 13 and 15.*—The Committee have to state that in arriving at the period of 40 years they had before them the Treasurer's Report of January 11, 1911, and relied on the figures given in that report in arriving at their recommendation for the equated period for loans. The Treasurer's contention that “ most of the items coming under the head of capital expenditure in the Annual Budget necessitate annual sums being expended on their repairs and maintenance ” appears incorrect in view of the fact that in the Balance Sheet, Electricity Department Assets, which are productive assets with repairs paid for out of profits, stand at Tls. 8,441,137 and Land at Tls. 5,607,534, as against Buildings Tls. 2,731,113.

Neither can the Committee agree that to any serious extent the upkeep becomes greater with each successive year. Roads which are responsible for a considerable capital expenditure, cost no more per mile for upkeep at a later date than at an earlier date, and the present extended use of reinforced concrete is making this also true as regards new buildings, bridges and bundings. The comparative cost of upkeep as between England and Shanghai by reason of faulty workmanship, unseasoned wood and climatic changes has so far as the Committee can see, no bearing whatever on the subject. That these influence the economic life of the asset is admitted, but this is a factor which must have been fully taken into consideration by the Treasurer in arriving at his equated period of 40 years. It must be further remembered that against this supposed hardship in the increasing cost of maintenance to be borne by future ratepayers, can be set off the very considerable amount of capital spent on acquiring new roads, which can only become of financial assistance to the Municipal funds in future years. For example the Yangkingpang; for this and many other new roads a period must elapse before sufficient development takes place for them to become fully productive, as measured by contributions to rates made by the owners and occupiers of property on the roads. The new

Municipal Building is another example. The present ratepayers are obtaining no value for money spent, on the contrary money must be expended on leasing temporary quarters.

Under the scheme suggested by the Committee, the investment of any holder of debentures would be undisturbed for seven years, and to this extent a compromise is effected between the instalment and annuity systems if strictly carried out, and the instalment system of loan redemption at present adopted by the Municipal Council.

Provision for the deferment of the Sinking Fund contributions is in common use at home. In each Parliamentary Session public bodies have sought and obtained such power. The principle, therefore, of redeeming loans by equal annual payments and of postponing the commencement of repayment for seven years would appear to be an equitable one.

(i) *Par. 14.*—The difficulty anticipated by the Treasurer of fixing interest to be charged for a loan for as long a period as 40 years, is more apparent than real, because the Council might reserve the option of redeeming the whole loan at the end of 20 years. This option could be exercised if rates of interest fell, and no injustice would be done by the exercise of this option, of which the existence would be known to investors.

(j.) *Par 16.*—The difference of opinion between this Committee and the Treasurer (as expressed in the first of the paragraphs under 16) has been dealt with in the note to paragraph 5. The Committee, however, must differ from the Treasurer in his use of the word “probably” in the sentence “It is probably true that as the loans near maturity the effect of the annual drawings would commence to make itself felt.” It is not *probably* true; it is true.

(k.) *Pars. 22 and 26.*—The Committee are unable to reconcile the statements of the Treasurer in paragraphs 22 and 26, unless it be that he holds that although “neither necessary nor in any way desirable” to present the ratepayers of forty years hence with an up-to-date revenue producing concern free of outstanding debt, there is no objection to presenting the ratepayers of sixty or eighty years hence with such an asset. In this connexion the Committee would point out that provision for both the depreciation charge and repayment of loans is stated by the Treasurer to be neither necessary nor in any way desirable, whereas one of the authorities quoted by the Treasurer, namely Mr. Murray, the ex-City Treasurer of Glasgow, anticipates as an advantage the possession by future ratepayers of Glasgow of assets including Tramways and Electricity Works, which will be free from debt.

(l.) *Par. 22.*—This paragraph taken alone can only read to mean that the Electricity debt is to remain as at present unredeemable. In view of the fact that this debt already exceeds 50 per cent. of the total Municipal debt and is likely year by year to increase considerably that percentage, the suggestion appears to be hardly understandable. It seems to the Committee to be essential to sound finance in dealing with the Electricity Department, that seeing that the Department is a revenue earning department, it should provide the cash for the repayment of the loans made for its benefit. However satisfactory may be the provision for depreciation made by the Department, unless that depreciation is represented by cash it is of no assistance to the Council in providing for the repayment of the loans for which the Council has made itself responsible.

The Treasurer states :—

“The Committee recommend that the Electricity Department should maintain its depreciation on its existing basis and at the same time provide for redemption of the Department's loans.”

This is a misstatement. The Committee made no recommendation with regard to depreciation, as it was not within the province of the Committee to make any recommendation regarding depreciation. They were merely concerned with the matter of the Municipal loans. The depreciation is a matter for the Electricity Committee, and this Committee had it in mind that the Electricity Department would probably modify their depreciation charge if they were called upon to provide for the repayment of the Council's loans.

(m.) *Par. 23.*—The Treasurer states :—

“The Department unquestionably benefits by obtaining money on the Council's credit, but why should it not, seeing that it is owned and controlled by the ratepayers.”

The people who actually benefit by the fact that the Department obtains money cheaply on the Council's credit are ultimately, in part at least, the consumers. If the Department had to pay what this Committee are satisfied is only a fair charge for obtaining the money, the consumers would pay this extra charge, and there is no reason why such ratepayers only as are consumers should benefit by the mortgaging

of the Council's credit, or that the large consumers should benefit more than the smaller consumers. The imposing of this charge is further justified, if it is correct that there are certain consumers of electricity who pay only half general Municipal rates, and other consumers who pay no rates to the Municipal Council.

(n.) *Par. 25.*—The Treasurer states that the method at present adopted by the Council provides an automatic check on extravagant capital outlay. In the opinion of this Committee the present system serves to lessen the check on extravagant capital outlay, seeing that under the present system unless an old loan falls due for redemption, the amount of the loan to be floated in any one year by the Municipal Council is less by the amount of redemption appropriation and surplus than would be the case were a more usual method adopted. There being less money to be borrowed, there is less check applied by the money market, or ratepayers.

(o.) *Par. 26.*—This Committee are of opinion that, whatever may be the relative merits of the instalment method and the method suggested by this Committee for the redemption of loans for general purposes, the application of the instalment method to Electricity loans would result in considerable loss to the Electricity Department. It is stated that the Electricity Department can use money in their hands to return 9 per cent. to 10 per cent. The Sinking Fund or Annuity system, leaving as it does the capital in the hands of the Electricity Department for a longer period, must be more profitable to that Department so long as it can use money to give a greater return than the rate which it has to pay on the borrowed money. It can be shown, for instance, that for every Tls. 100 borrowed, assuming the money is borrowed at 6 per cent., and the Department can employ money in its hands at 9 per cent., the Department if they repaid the loan under the Sinking Fund or Annuity System, would make a profit of Tls. 45 over and above the profit made if the loan were repaid under the instalment method. If the loan were for forty years, the profit would be Tls. 120, and if the loan were for sixty years, the profit would be Tls. 782.

(p.) *Par. 28.*—This Committee advise that the recommendation of the Treasurer, particularly with regard to the application of the appropriation for redemption of debt, be not followed. If it be followed, an investor in Municipal Debentures would be unable to place any definite value upon his security, because he would not know what method of repayment would be adopted by the Council in future years. In the opinion of this Committee it is essential that a definite declaration should be made to the investing public as to the method the Council will adopt to provide for the redemption of the debentures.

(q.) *Par. 29.*—The Treasurer speaks of the loans being held by *comparatively few* investors, and in the same paragraph speaks of the *popularity* of the loans. No loans can be spoken of as being popular unless they are held by a large number of investors. The word "popular" and the phrase "comparatively few investors" are contradictory.

The Committee in their report noted the fact that the surplus of ordinary budget was applied in reduction of any loan which might be necessary to meet capital requirements. Whether and to what extent ratepayers consent to be taxed for the benefit of posterity, is a matter for themselves to decide.

Appendix 4.—The Treasurer refers to the New Sinking Fund. The "New Sinking Fund" is to be employed in purchasing, redeeming or paying off any one or more of the following descriptions of debt—namely: Annuities (perpetual or terminal), charged on the Consolidated Fund, Exchequer Bonds and Exchequer Bills (see Stock Exchange Official Intelligence.) It is further provided that "any temporary loans which might be contracted were to be provided for by an addition to the Annual Charge" (see page 93, Stock Exchange Investments, J. Burn, F.I.A., C. & E. Layton, 1908). These Temporary Loans would include the Exchequer Bonds and Exchequer Bills. The New Sinking Fund is primarily intended therefore to cancel Annuities in which category Consols are included. It would obviously be unsound for the Government to cancel stock which need never be redeemed, if it had to find the money by borrowing at a higher rate of interest than that earned by that stock. Municipal Debentures, however, must be repaid by a certain date. The Committee wish to state therefore that the reference to the "New Sinking Fund" has no bearing on the questions now before the Council.

In conclusion this Committee would say that the arguments put forward by the Treasurer were before or were in the minds of the Committee when they made their original report, and the reconsideration of the position necessitated by the Council's request for comments on the Treasurer's report, has but served to

confirm the Committee's belief in the proposals which they had the honour to place before the Council in their Report of July 7, 1917.

L. JEZISKI,
CECIL HOLLIDAY,
R. R. HYND,
PHILIP PEEBLES,
S. B. NEILL.

December 20, 1917.

**TREASURER'S REPLY TO THE COMMENTS OF THE LOAN REDEMPTION COMMITTEE
ON HIS REPORT DATED OCTOBER 22, 1917.**

With the object of assisting the Council to decide a somewhat complex question, I have endeavoured to confine the following notes to the more important problems affecting the issue, and have made no attempt to answer such of the Committee's criticisms as do not directly bear on the subject under consideration.

What is the Most Equitable Basis for Calculating the Redemption Appropriation as Applied to Shanghai?

In paragraph 13 of my report it is pointed out that the chief difference between the instalment and annuity methods lies in their incidence. Under the former, the heaviest debt burden falls on the shoulders of the ratepayers who sanction the debt, and the charges ease off towards the end of the loan period. The reduced burden of future ratepayers in respect of loans created by their predecessors, enables them to more easily contract loans to meet their own capital requirements. The Committee points out that "it must be remembered that to-day's ratepayers are bearing burdens and extinguishing debts contracted by previous ratepayers." While this is of course correct, it must also be remembered that the burden of present ratepayers would be considerably heavier had not the instalment system been in operation in the past. In point of fact, present ratepayers are bearing a rapidly diminishing burden in respect of the debt created by their predecessors, because the major burden was borne by those who created the debt. Under the annuity system recommended by the Committee, the debt burden of ratepayers 7 to 40 years hence will be exactly the same, and will hamper them in the discharge of their civic duties. On the other hand the ratepayers who incur the debt will be relieved for 7 years of any but interest charges in respect of that debt.

My statement that "most of the items coming under the head of capital expenditure in the Annual Budget necessitate annual sums being expended on their repairs and maintenance" and to which the Committee takes exception, refers exclusively to the Budget for General Purposes.

In connexion with the expenditure on roads which the Committee points out is only partly productive for some years after it is incurred, it must be borne in mind that increasingly heavy sums are annually expended on this item, and that the community's credit is being pledged year by year to provide these roads. The service of the loans by which they are financed, has to be provided irrespective of whether the outlay is revenue producing. The benefit of the expenditure to the motoring public and to the general health conditions of the Settlement, although impossible to express in terms of money, are also factors that should not be ignored.

Before arriving at a decision on this question, the following extracts from leading authorities on the subject should be carefully read. These extracts appear in the appendix to my report, but may possibly not have been given the attention to which they are entitled :—

"Most of the municipal witnesses from England and Ireland have expressed a preference for either the Sinking Fund or Annuity Systems of repayment, but Lord Welby and the witnesses from Edinburgh and Glasgow differed from this view, and desired the more general adoption of the Instalment System, which involves a much smaller payment in respect of capital and interest than either of the others, though the burden imposed upon it in the earlier years of repayment is heavier."
—(*Report of the Select Committee on Repayment of Loans by Local Authorities.*)

"On the whole unless there are exceptional circumstances which necessitate the annuity plan, the balance of the argument would appear to be in favour of the instalment method. Even where the benefits are sustained throughout the period sanctioned for the repayment of the loan, and the annuity method would be irreproachable in theory, it is a sound economical policy to take up the heavier burden at once, since the future may be relied upon to bring with it onerous obligations of its own."
—(*Archer's Tables for the Repayment of Loans by J. A. Archer, F.I.A.*)

"As is the case in almost all affairs connected with the borrowing and repayment of money no hard and fast rule can be laid down, nor would it be wise to absolutely condemn or unreservedly approve any one system. Without doubt the instalment system is, under certain circumstances, preferable to the annuity system. Let us assume that a district is not at present heavily rated, but the local authority presiding over it is aware that in eight or ten years time it will be necessary to undertake great expenditure in respect of some work, such as a new scheme of sewerage and sewage disposal. In that case prudence would suggest that any loans which are now required to be raised should be made repayable by instalments so that by the time the cost of the new scheme falls upon the ratepayers, the charges in respect of these loans would be easing off."—(*Loans of Local Authorities* by George Biddell.)

Will the Repayment of Debentures by Annual Drawings, commencing after the 7th Year, tend to Increase the Popularity of the Council's Loans?

It has been generally admitted that the Municipality will probably require to issue loans of possibly increasing amounts for some years to come. The popularity of future loan issues will depend on (1) the credit of the Municipality and (2) the terms under which debentures are offered to the public. The credit of the Municipality can be, I think, taken as satisfactory, and therefore, the popularity of future loans will depend very largely upon the terms on which they are issued. Past loans have been issued subject to redemption after 10 years and within 30 years, but the Council has been somewhat chary of availing itself of the redemption option. In my opinion the fact that debenture holders have been allowed undisturbed possession of their securities for a long period of years, has been largely responsible for the popularity of the Council's issues. The Committee, however, has taken pointed exception to my statements that the Council's loans are popular, and that they are held by comparatively few investors, and has characterized these statements as contradictory. I can only say that during the time I have held the post of Treasurer to the Municipality, I have experienced, with two exceptions, little difficulty in floating the annual loans required. The exceptions occurred during the years 1916 and 1917, when the phenomenal rise in exchange rendered it difficult to place debentures at the rates of interest fixed. Despite, however, the adverse influences at work during these two years, the subscriptions received, totalled well over £1s. 1,000,000 for each loan. The fact that the number of investors is small, does not in any way imply that the Council's issues are unpopular, but rather that the investing public is limited. It does, however, sound a distinct and definite warning against any radical change in the system of redemption, which may result in a still further limitation of the market for Municipal Debentures, at the very time when it is of vital importance that the market should be enlarged.

The opinion expressed in paragraphs 5 and 16 of my report, that the average investor does not look with favour upon a loan to be repaid by annual drawings, is one that is based on my local experience with investors and brokers, confirmed by the views of certain accepted authorities on the matter.

There can be no two opinions about the popularity of a loan, which it is expected will be consistently maintained at or near par for a long period of years. In fact such a loan would become so popular that the average investor would probably consider it a distinct grievance when his holding was repaid. If it is desirable to maintain all the Council's issues (irrespective of the interest carried) at as near par as possible, surely this can be much better effected by a policy of purchase on the open market, rather than by repayment to a particular holder who may not want his money back. The Committee has pointed out that under the present system, only one year's appropriation would be available for purchases on the market, and that if old loans were quoted below par, the market would be unfavourable for the flotation of a new loan, so that that particular year would be a year when it would be inadvisable to depart from the usual plan of utilizing the appropriation in reduction of the new loan. While all this is perfectly true, I would still point out that if it is definitely laid down that the Council's policy should be on the lines of maintaining the market quotation of all issues, there is nothing to prevent the appropriation being immediately expended on the market, thus bringing into play similar agencies as under the system of annual drawings recommended by the Committee, and without any disturbance to individual holdings.

In commenting on my report, the Committee points out that of "301 Corporation and County securities quoted in the Stock Exchange Official Intelligence of 1916, two hundred and fifty-three had been reduced by repayments or repurchases during the currency of the loans, Forty-eight only had not been reduced."

I have made a careful analysis of the 301 securities quoted in the Stock Exchange volume mentioned above, as the result of which, I find that only 14 of the total number quoted have been issued subject to annual repayment. Of these 14 securities two can be wholly or partly repaid at the option of the issuing authority, and the annual repayment of another, is at the option of the authority. Two securities (not included in the 14) are repayable by annual drawings or purchase on the market: one is repayable by quinquennial drawings, and another by triennial or sexennial drawings. Excluding securities repayable by drawings and those that have not been reduced, the remaining loans (over 78 per cent of the total number quoted) have been reduced by purchases on the open market. It is also of interest to note, that in comparatively few cases (except where repayment is by drawing) has the authority power to repay to holders before the expiration of 20 or more years from date of issue.

This evidence appears to me to conclusively prove the undesirability of adopting a hard and fast policy of redemption by annual drawings extending over a lengthy period. It also seems to clearly indicate that the consensus of opinion in England is unmistakably in favour of leaving investors in undisturbed possession of their securities for as long a period as possible consistent with the interests of the municipality.

Is it necessary to annually decrease the amounts outstanding under Specific Loans, or is it sound finance to apply redemption appropriations in exercise of borrowing powers?

Paragraph 27 of my report embodies extracts from a paper prepared by Mr. Alex. Murray, C.A., ex-City Treasurer of Glasgow. This paper deals very fully with both sides of the question and merits careful reading.

It contains the leading conclusions arrived at by a Select Committee on the "Application of Sinking Funds in exercise of Borrowing Powers" (or in other words "the application of redemption appropriations in reduction of current loans") and which are summarized below:—

(1) "The principle of utilizing the Sinking Funds (including Loans Funds and Redemption Funds) for purposes for which local authorities have borrowing powers is, if properly safeguarded, financially unobjectionable; and the power of so using these funds is undoubtedly a great advantage, inasmuch as it affords a convenient and economical method of exercising new borrowing powers, without either injuring the credit of the local authority or prejudicing the rights of the lender.

(2) "In those cases in which a stock is required to be extinguished at a fixed date, any amounts withdrawn from the Sinking Fund should, as a general rule, be replaced at that date."

In commenting upon the latter recommendation, Mr. Murray said "the proper precaution against being placed at a disadvantage when a stock comes to be redeemed, is not the accumulation and investment of the Sinking Funds, but the issue of stock, redeemable at the option of the corporation." In this connexion it is to be noted that recent issues of Municipal Debentures give the Council the option of redemption after 10 years.

The following extracts from the evidence given before the Select Committee, are also of considerable interest, as showing the arguments advanced for and against the application of sinking funds in exercise of borrowing powers, and also the Committee's views on the question:

"It will be apparent to the Committee that if several Corporations have borrowed money from the public on stock which will fall due roughly on the same date, and if the Sinking Funds which they have agreed to set aside to redeem those debts are not there when the creditors have to be repaid, the Corporation will have to borrow the money. It has got to find the money somewhere to repay its old creditors. If the term when they have to borrow the money happens to occur in a period of financial stress such as the Autumn of last year, you might have a very serious state of things in the money market, and a very serious state of things as regards Corporation credit."—(Mr. E. A. Ridsdale, *Ans. 346.*)

"As to that I wish to say, speaking not for myself alone but for many Local Government officials who have had great experience in these matters, that I do not consider any difficulty of this kind will arise. I claim that I am justified in the view I take by what has happened in the past, for

it has been found as a very general rule that the holders of Municipal Securities are quite willing when paid off to renew their loans with the Municipalities on mutually advantageous terms. They have always received their dividends with the utmost regularity and punctuality, and are glad to re-invest. I observe that it has been hinted that it may happen that the credit of a particular community is so bad that they cannot re-borrow when desirous of doing so, to which I think I am entitled to reply, Why anticipate a state of affairs which has never yet occurred, is not likely to occur, and appears to me does not call for serious consideration? ”—(*Mr. H. M. Stevens, Ans. 1,790.*)

“On the other hand it is equally clear that the stockholder has an absolute right to claim that his stock shall be redeemed at par at the fixed date, and that, if he insists on being paid off in cash, the local authority must raise the necessary funds for that purpose. The stockholder's only risk is that the financial credit of the local authority may be so poor that they are unable to borrow on the security of their rates and revenues on any terms whatever. But such a contingency would seem to be extremely problematical. In practice it is found that, when a new stock is issued to redeem an existing stock, a large proportion of the new stock is readily taken up by the holders of the existing stock.”—(*Committee's Report, par. 53.*)

The deductions to be drawn from the above arguments, are, in my opinion, sufficiently definite as to justify a policy of loan redemption which includes the application of redemption appropriations in exercise of borrowing powers, at times when local financial conditions render such a course desirable. It is not (nor has it been) suggested that a slavish adherence to such a policy is in any way to be commended. Prudence clearly indicates that steps should be taken to reduce from time to time, the amount outstanding of a large loan maturing on a definite date, but, on the other hand, I maintain that it would be unwise to in any way over-emphasize the difficulties that may be encountered in the future in connexion with the repayment of loans.

As regards provision for redeeming loans issued on account of the Electricity Department.

The Committee points out that paragraph 22 of my report, taken alone, can only mean “that the Electricity debt is to remain, as at present, unredeemable.” This paragraph was, of course, never intended to be read alone, but in conjunction with paragraphs 18, 19, 20, 21, 26 and 28 which all deal with the subject. As my views on the matter have been entirely misunderstood, they are re-stated below :—

- (a) All the assets of the Department are written off from revenue during their estimated lives, and, therefore, the provision for redeeming the loans with which they were purchased, can be reasonably spread over a longer period than in the case of assets for General Purposes where no provision for depreciation is made.
- (b) Depreciation is necessary before the true profits of an industrial undertaking can be ascertained. Provision for loan redemption is an allocation of profits.
- (c) Although it is neither desirable nor necessary, to hand the Department over to the ratepayers of 40 years hence as an up-to-date, revenue producing concern, free from all outstanding debt, yet such a policy, if extended to 60 or 80 years, could be effected without unduly penalizing existing consumers or ratepayers, and is, therefore, desirable.

My recommendation that the appropriation for loans issued on account of the Department should (1) in the case of existing loans, be spread over 55 years, and (2) in the case of future loans, be spread over 60 years, means that a portion of each loan would be repaid by fresh borrowing, and that the remainder would be provided out of revenue in addition to the present depreciation charges.

Conclusion.

Apart altogether from the points touched on above, I have to point out that the Committee's recommendation as regards future loans, ties the Council down to a definite policy for a period of 40 years. I think it will be admitted that the problem can be looked at from one or two different aspects, and that if the Committee is by any chance incorrect in its theory that repayment by annual drawings will increase the popularity of the loans, and in practice has a contrary effect, the enforced continuance of the policy will be extremely unfortunate, and may prove very costly to the Municipality.

The Committee attaches considerable importance to a definite declaration being made to the investing public as to the method the Council will adopt to provide for the redemption of debentures. I venture to

think that the investor is more concerned with the financial strength of the Municipality, than with the methods chosen for debt redemption, provided that he is left in undisturbed possession of his security for a reasonable period. If the Council is ever in the unfortunate position of being unable to meet its engagements, it will be but poor consolation to the investor to know the policy that under other circumstances the Council had proposed to follow.

E. F. GOODALE, A.C.A.,
Municipal Treasurer.

January 17, 1918.

SUPPLEMENTARY CORRESPONDENCE.

Council Room, Shanghai, January 8, 1918.

SIR,—I am directed to refer to your Committee's report to the Council of July 7, on the subject of loan redemption and in particular to the recommendation in regard to existing loans, that the annual redemption appropriation should be applied in the purchase of Municipal debentures, on the market, at or under par, and that until such purchases are possible it should be temporarily invested. It is not clear to the Council whether it is intended thereby that the annual redemption appropriation should be expended in the purchase of the specific debentures, for which the appropriation is made, or whether the intention is that the appropriation may be expended in the purchase of any Municipal debentures at or under par; nor is it clear what exactly is intended by the recommendation as to temporary investment. Is it the intention that the appropriation should be kept on current account or fixed deposit or that it should be invested in non-Municipal securities?

I am directed to request that your Committee will kindly favour the Council with further information on these two points.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Count L. JEZIEBSKI,
Chairman, Loan Redemption Committee.

Shanghai, January 21, 1918.

SIR,—I am directed to acknowledge the receipt of your letter of January 8, to the Loan Redemption Committee, on the subject of the Committee's recommendations, and in reply to the Council's enquiries, to state as follows:—

The recommendation as to the redemption of existing loans applies to the loans outstanding on December 31, 1916. So far as these are concerned the Committee is of opinion that whilst strictly speaking the amounts making up the total appropriation should be utilized in the purchase of debentures of the specific loans to which they refer, it is recognized that, in practice, it might not be possible to acquire debentures of the old loans in the order in which they fall due and that it might be necessary to purchase such old debentures of suitable maturities as might be obtainable. If the recommendations of the Committee are adopted, the service of future loans will be cared for; the purchase of debentures of such loans will therefore not be in accordance with the views of the Committee.

By the use of the words: "temporary investment," followed by the words: "so as to remain available for such purposes when they become possible," the Committee endeavoured to convey its opinion that, should it at any time be found impracticable to purchase debentures of the old loans of suitable maturities, the appropriations should remain liquid, that is to say, that the money will be available as and when required.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Secretary, Loan Redemption Committee.

N. O. LIDDELL, Esq.
Acting Secretary, Municipal Council.

Council Room, Shanghai, January 21, 1918.

SIR,—One of the most important recommendations of the Loan Redemption Committee is that the redemption appropriation in the case of future loans should be expended each year, in redemption of the loans in respect of which it is calculated, and that it should not be carried forward to Extraordinary Income in reduction of future borrowings. The Committee's recommendation is that this expenditure should be effected by annual drawings after the seventh year of the loan, but provided the appropriation is expended is there any reason why it should not be expended either (a) in the purchase of debentures (specific debentures) on the market at or under par, if they are obtainable, or (b) to the extent to which they may not be obtainable, in drawings? It seems to me that this policy would offer the following advantages:—

1. The Council would not be forced to redeem at par debentures which might be obtainable on the market at a discount.
2. By purchase on the market the Council would increase the selling facilities of holders who wish to sell their debentures, and at the same time it would not be compulsorily disturbing the holdings of those who may not wish to sell.

Whether the Council adopts this system or that recommended by the Special Committee, the same amount of debentures would be redeemed and therefore the tendency to maintain debentures at par would it seems be the same in either case.

Do you think that the Special Committee would favour the alternative application of the loan redemption which I suggest?

I am, Sir, your obedient servant,
E. C. PEARCE,
Chairman.

Count L. JEZIEWSKI,
Chairman, Loan Redemption Committee.

Shanghai, January 30, 1918.

SIR,—In reply to your letter of January 21 on the subject of the redemption of debentures, I am sure there is no question in the minds of the Loan Redemption Committee but that the amount appropriated each year should be expended in the manner they have recommended, i.e., by drawings for compulsory redemption of the proper proportion of each loan outstanding. In practice it would indeed be a matter of extreme rarity that the number of debentures of each issue required, should be obtainable by purchase, but quite apart from any such possibility, under the new system, loans will be repayable compulsorily at par, even if quoted at a premium, and they should likewise be repayable at par, even if obtainable at a discount. The mere fact that a certain proportion of them is so repayable will tend to maintain the price of debentures at par, thus making for their greater popularity with investors. Further, if debentures were to be redeemed under par, the number redeemed would be larger than provided for under the system, and this would interfere with the regular working of the system.

I am, Sir, your obedient servant,
L. JEZIEWSKI,
Chairman, Loan Redemption Committee.

E. C. PEARCE, Esq.,
Chairman, Municipal Council.

Council Room, Shanghai, February 26, 1918.

SIR,—I am directed to send you herein enclosed a copy of a report by the Treasurer to the Finance Committee on the subject of the redemption appropriation for short termed loans and the Sterling Loan of 1905, with the request that your Committee will kindly favour the Council with its views on the points therein raised, since these are so closely connected with the general question of Loan Redemption to which your Committee has given such careful and exhaustive consideration.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Count L. JEZIEWSKI,
Chairman, Loan Redemption Committee.

Shanghai, February 23, 1918.

Report to the Finance Committee on Redemption Appropriation for Short Termed Loans and Sterling Loan, 1905.

As the Committee is aware the redemption appropriations for the years 1916 and 1917 included a calculation based on the amount outstanding (£20,000) of the 4 per cent. Sterling Loan 1905. For the purpose of the calculation an arbitrary exchange of 2/6 to the £ has been taken. The amount so raised from revenue has been applied in reduction of silver borrowings.

The recommendations of the Loan Redemption Committee cover the application of the redemption appropriation, as far as possible, in the manner in which it is calculated, and, therefore, if it is proposed to include the Sterling Loan in future redemption calculations, it will be necessary presumably to expend a portion of the appropriation in purchasing the Sterling Loan on the London market.

It would, I think, be desirable to ascertain the views of the Loan Redemption Committee on this matter:—

- (a) as to whether the Sterling Loan should be included in the redemption calculation and if so, on what basis?
- (b) as to whether the amount (if any) set aside should be expended by purchasing the Sterling Loan on the market?

The question of making provision for the redemption of Short Termed Loans is also one of some importance.

Assuming the continuance of the Instalment System of calculating the provision for loan redemption, and the maintenance of the Surplus on the Ordinary Budget on more or less the present basis, I would have little hesitation in recommending the omission of Short Term Loans from the redemption calculation. On the other hand I would not feel justified in making such a recommendation if the basis of the redemption calculation is amended to the Annuity System.

Under these circumstances I would suggest that this point be also referred to the Loan Redemption Committee.

E. F. GOODALE,
Municipal Treasurer.

Shanghai, March 12, 1918.

SIR,—I am directed to acknowledge the receipt of your letter of February 26, on the subject of the Redemption Appropriation for Short Term Loans and the Sterling Loan of 1905, and in reply thereto to state that as regards the Sterling Loan, the Committee sees no reason why it should be treated differently from other loans, in that the amount required for its service can be remitted to London and, if necessary, invested. At the same time I am directed to state that it is considered that the question of this loan should not be the subject of a formal recommendation from the Committee but should be left entirely to the Council's discretion, since the view may find acceptance that, as a matter of expediency, repayment in full is desirable at a favourable rate of exchange.

With respect to the existing Short Term Loan, and any other similar loan which may be raised, it is remarked that this matter was not before the Committee at the time of consideration of the general loan question. The Committee considers, however, that as Short Term loans are really in the nature of emergency finance, the question as to how they should be dealt with should be left entirely in the hands of the Council. In fact the Council should retain full discretion as to whether provision should or should not be made for gradual repayment or whether they should continue as special loans until such time as they are replaced by ordinary loans, the service of which is automatically provided for under the Committee's recommendations.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Secretary, Loan Redemption Committee.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

Council Room, Shanghai, February 26, 1918.

SIR,—With a view to early publication in the Municipal Gazette of the several reports and comments of your Committee and of the Treasurer on the subject of Loan Redemption, I am directed to enquire whether your Committee desires to make any comment on the Treasurer's reply to your Committee's comment on his report of October 22, 1917, and to make the suggestion that in view of the important bearing that this matter has on Municipal finance, your Committee should again meet the Treasurer for an exchange of views thereon.

I am, Sir, your obedient servant,
N. O. LIDDELL,
Acting Secretary.

Count L. JEZIEWSKI,
Chairman, Loan Redemption Committee.

Shanghai, March 12, 1918.

SIR,—In reply to your letter of February 26, on the subject of the Treasurer's comment dated January 19, on the Loan Redemption Committee's recommendations, I am directed to hand you herewith the Committee's concluding report on this question.

I am, Sir, your obedient servant,
E. S. B. ROWE,
Secretary, Loan Redemption Committee.

N. O. LIDDELL, Esq.,
Acting Secretary, Municipal Council.

FURTHER REPORT OF THE LOAN REDEMPTION COMMITTEE.

(1.) The members of the Committee, with the exception of Mr. Cecil Holliday, who was absent through illness, on March 7, 1918, met and considered the Treasurer's reply of January 17, 1918, to the comments of the Loan Redemption Committee on his report dated October 22, 1917.

(2.) The Treasurer attended the meeting by invitation and further explained his views. He answered a number of questions put to him by members of the Committee and was afforded opportunity to question the members of the Committee.

(3.) As it is indicated in the Acting Secretary's letter of February 26, 1918, addressed to the Chairman of this Committee, that it is intended to publish the several reports, comments and replies, this Committee wish to place on record a few comments upon the Treasurer's reply of January 17, 1918.

For the most part, the Treasurer's reply consists of a reiteration and elucidation of the arguments, statements and quotations made in his Report of October 22, 1917, which Report has already been dealt with in the Committee's "Comments," dated December 20, 1917. There are, however, three points to which this Committee wish to refer :—

(a.) The Treasurer makes the following statement :—

"In point of fact present ratepayers are bearing a rapidly diminishing burden in respect of the debt created by their predecessors."

While this statement would be correct had it been applied to the reduction of debt or redemption of loans only the amount of the redemption appropriation, as calculated annually by the Treasurer, the statement is not correct under the conditions which have been in force for some years past, where the surplus of ordinary budget has also been applied to loan redemption or debt reduction, and where the surplus of ordinary budget has been very much greater in amount than the redemption appropriation as calculated.

(b.) The Treasurer states :—

"Under the annuity system recommended by the Committee, the debt burden of ratepayers 7 to 40 years hence will be exactly the same, and will hamper them in the discharge of their civic duties."

In the opinion of the Committee it would appear to be clear that the ratepayers of 7 to 40 years hence will be hampered in the discharge of their civic duties by the burden of debt to no greater extent than ratepayers of the present day are hampered in the discharge of their civic duties by the burden of the existing debt.

(c.) In the paragraph headed "Conclusion" the Treasurer states :—

"Apart altogether from the points touched on above, I have to point out that the Committee's recommendation as regards future loans, ties the Council down to a definite policy for a period of 40 years."

The Committee would point out that should its recommendations be adopted, the Council would only be tied down to a definite policy in respect of loans issued in accordance with the Committee's recommendations. Should it be found at some future date that it is no longer expedient to continue to follow the recommendations of this Committee, a change in the Council's practice would doubtless be made.

In paragraph (i) in the Comments of this Committee, dated December 20, 1917, the suggestion is made that the Council might reserve the option of redeeming the whole of any loan at the end of 20 years, so that the limit of time for which this Committee's recommendations may be said to tie the Council down is 20 years, and in respect of those loans only which are issued in accordance with this Committee's recommendations.

Should the Council at some future date decide that it is expedient to change the method of redemption from the Sinking Fund method to the Instalment method, the Council has always power to purchase in the open market the amount of debentures necessary to make up the difference between the sum necessary under the Sinking Fund method and the sum necessary under the Instalment method.

In the opinion of this Committee, therefore, the Treasurer is incorrect in stating that the Committee's recommendation as regards future loans ties the Council down to a definite policy for a period of 40 years.

(4.) After hearing the Treasurer, and after giving to the Treasurer's reply of January 17, 1918, the same careful consideration as was given to his Report of October 22, 1917, this Committee unanimously re-affirm the recommendations which they had the honour to place before the Council in their Report of July 7, 1917.

L. JEZISKI,
S. B. NEILL,
P. PEEBLES,
R. R. HYND.

Shanghai, March 11, 1918.

TREASURER'S REPORT.

FINANCIAL STATEMENT.

The financial transactions of the year are summarised below :—

	Tls.
Ordinary Income	3,455,127
<i>Less</i> —Ordinary Expenditure	3,379,440
Surplus on Ordinary Budget, carried to Extraordinary Income	75,687
Extraordinary Expenditure	1,588,605
<i>Less</i> —Extraordinary Income	1,099,735
Final Deficit carried forward to 1918	488,870

The Surplus on the Ordinary Budget of Tls. 75,687 is Tls. 150,228 below the figure estimated, this decrease being accounted for as under :—

	Expended	
	Over Tls.	Under Tls.
Volunteer Corps		7,366
Fire Brigade	6,458	
Police Force		7,781
Health Department		41,515
Public Works Department	73,216	
Public Band		1,141
Public Library		788
Educational Department	5,869	
Finance Department	767	
Secretariat	2,432	
General Charges	26,336	
Interest	11,488	
Redemption of Debentures	64,700	
Stock and Stores	10,330	
<i>Add</i>	201,596	58,591
Income—decrease	7,223	
Balance—being net decrease in the Surplus on the Ordinary Budget as compared with the estimated figure		150,228
	208,819	208,819

Police Force.—Underspent Tls. 7,781.

The usual comparative figures showing expenditure during the past five years under "Pay and Allowances" are given below, but it is to be noted that those referring to the Foreign Branch are materially affected by the number of men now on War Service.

	1913	1914	1915	1916	1917
Pay and Allowances	Tls.	Tls.	Tls.	Tls.	Tls.
Foreign Branch	372,593	374,754	336,596	350,630	343,211
Japanese Branch					22,003
Sikh Branch	110,249	116,563	120,163	119,188	120,838
Chinese Branch	178,996	182,351	189,217	196,965	211,993
	<u>661,838</u>	<u>673,668</u>	<u>645,976</u>	<u>666,783</u>	<u>698,045</u>

Health Department.—Underspent Tls. 41,515.

A saving of Tls. 29,265 has been effected under "Office." Plague Prevention measures have cost Tls. 17,177 against an appropriation of Tls. 25,000, while the "Receipts from Laboratory" were considerably in excess of the estimated figure. The expenditure on "Hospitals" was Tls. 16,362 less than the estimate. Under "Extra Departmental" the grant to the General Hospital absorbed Tls. 17,604 against an anticipated expenditure of Tls. 15,000.

Public Works Department.—Overspent Tls. 73,216.

The appropriations for "Buildings," "Drainage," "Maintenance of Roads," "Lighting," and "Parks and Open Spaces," have been exceeded by Tls. 10,559, Tls. 12,072, Tls. 50,918, Tls. 5,412, and Tls. 2,422 respectively. Expenditure on the remaining headings of the Budget has been less than was anticipated.

With reference to the heavy excess shown under "Maintenance of Roads" the Engineer and Surveyor writes as follows:—"The asphaltum surfacing of roads was continued somewhat later in the season than usual, this being rendered possible on account of the comparatively dry and mild weather. The expenditure was accordingly greater, but the surfacing has been evidenced by the good condition of the roads in general during the last few months."

General Charges.—Overspent Tls. 26,336.

The above excess is accounted for as follows:—

	Tls.
Special Electricity Committee, sundry expenses	100
Building Rules Commission, ..	814
Special Traffic and Licencing Bye-laws Committee, sundry expenses	600
Contribution to the Chin Woo Athletic Association	642
Gratuity to the Estate of the late J. B. A. Mackinnon	7,590
Monument to the late J. B. A. Mackinnon	267
Shanghai Waterworks Arbitration Award	6,084
Brokerage on Loan	2,911
London Sterling Current Account, difference in exchange	2,074
	<u>21,082</u>
Add	
Difference between estimated and actual figures	5,254
	<u>Tls. 26,336</u>

Redemption of Debentures.—Overspent Tls. 64,700.

In view of the radical change proposed in the future basis for calculating this appropriation, it has been necessary to write off the amount expended in excess of the estimate, against the accounts for 1917, in place of carrying it forward on account of the appropriation for 1918, as would have been possible under the system in operation in the past.

Ordinary Income.

The difference between the estimated and actual income is fully dealt with in the Report of the Overseer of Taxes.

Extraordinary Expenditure.

The actual expenditure under this heading during the year has been Tls. 1,588,605, as against an estimated expenditure of Tls. 1,335,424. The following is a list of items included in the Budget but upon which no outlay has been incurred.

	Tls.
Bundings.	
Concrete Bunding, West Soochow Road, fronting Cadastral	
Lots 4842 and 4843 W.	28,300
Landing Stages.	
Landing Steps at Astor Road	350
Land.	
Fire Station for Western District, nominal	100
Isolation Hospital Extension	} nominal 100
Bubbling Well Cemetery Extension	
Buildings.	
Yangtsepoo Fire Station, portion of cost	5,000
Mokanshan Sanatorium, four small Bungalows	6,000
	Tls. 39,850

Expenditure has been incurred amounting to Tls. 97,674 for which no provision was made in the Budget; the details making up this figure are given below:

	Tls.
Drainage.	
Tongshan Road between Kwenming and Dent Roads	11,375
Land.	
Rifle Range, subsoil drainage	885
Yangtsepoo Fire Station	282
Public Recreation Ground, laying sewer	3,942
Hongkew Recreation Ground Extension	78,530
Warren Piece	163
Buildings.	
Sinza Market Extension	2,120
Thomas Hanbury School for Boys, balance of cost	377
	Tls. 97,674

INDUSTRIAL UNDERTAKINGS.

The Profits earned during the year, together with the balances brought forward from 1916, have enabled the following Contributions to General Funds to be transferred to Ordinary Income.

Convict Labour	Tls. 4,000
Concreteware Manufactory	10,000
Pingchiao Quarry	12,000
Tungchow Road Workshop	2,500

LOANS.**SILVER LOANS.**

The Authorised Loan for 1917 was Tls. 1,600,000 of which amount Tls. 600,000 was required for Electricity purposes. In view of the greatly enhanced value of silver, and the attractive gold loans being issued by the Governments of the Allied Nations, it was apparent that the traditional methods of financing the Council's capital requirements would need some amendment. Accordingly it was decided to float a short

termed loan, carrying interest at the rate of 7 per cent. and repayable on June 30, 1922. The Loan was advertised for issue in the month of April when the average rate of exchange was 3/6 and for some months the debentures found a ready market at par. In September exchange advanced to as high as 4/10½ with the natural result that the placing of debentures became more difficult. During the last three months of the year the rate was maintained round about 4/-, and despite this severe handicap, there was a steady, although diminished, demand for the debentures. The Loan was kept opened until March 9, 1918, on which date Tls. 1,386,800 had been subscribed. The amount issued on December 31, 1917, was Tls. 1,086,700, and of this total Tls. 86,700 has been loaned to the Electricity Department. All debentures of this issue have been placed at par.

The Budget appropriation for the Redemption of Debentures (Tls. 203,700) was applied in redeeming the 5 per cent. Loan of 1897 (Tls. 268,400). As pointed out in a preceding paragraph the amount expended in excess of the appropriations has had to be written off in the accounts for 1917.

As the result of the year's transactions the Council's liabilities on Silver Loans (deducting loan to the Electricity Department) have been increased by Tls. 731,600.

STERLING LOAN.

No additional debentures have been issued on account of the Sterling Loan.

TRUST FUNDS AND INVESTMENTS.

The Council's holding of £30,000 in the 4½% (1925/1945) War Loan purchased in 1915, was converted during the year into the 5% (1929/1947) War Loan, at the rate of £105-5-3 for each £100 in the old Loan. The odd amount realised by the conversion (£78-15-0) was subsequently sold, leaving the Council's holding in the 5% Loan at £31,500.

STATISTICAL STATEMENTS.

Statement A compares Income and Expenditure during the years 1913 to 1917.

Statement B gives percentages, calculated on Income, of the figures contained in A.

The following Statement compares the Ordinary Income and Expenditure totals for the years 1916 and 1917.

	1916 Tls.	1917 Tls.	Increase Tls.
Ordinary Expenditure	2,925,573	3,379,440	453,867
„ Income	3,333,151	3,455,128	121,977
			331,890

STAFF.

Four members of the Staff (including the Deputy and the Assistant Treasurer) were on War Service at the close of the year. The duties of the Deputy Treasurer have been performed by Mr. H. M. Mann since October 1915.

It is with great regret that I have to record the death of 2nd Lieutenant C. Wilson of the Gordon Highlanders, who was killed in action on May 7, 1917.

CONCLUSION.

The recently approved amendment to Land Regulation IX allows the Annual Meeting of Ratepayers to be held a month later than formerly and the consequent extension of the time allowed for the preparation of the Budget and Financial Statement should prove sufficient for some years to come.

E. F. GOODALE, A.C.A.
Treasurer.

OVERSEER OF TAXES' REPORT.

The Ordinary Revenue for 1917 shows a substantial increase over the previous year although the Budget Estimate has not been reached.

The total Ordinary Income collected from all sources amounts to Tls. 3,455,128 against Tls. 3,333,151 for the preceding year, showing an increase of Tls. 121,977.

The following statement shows the revenue as compared with the Budget estimate :—

Description.	1917.		Excess.	Deficit.
	Estimated.	Actual.		
	Tls.	Tls.	Tls.	Tls.
Land Tax	832,500	836,719	4,219	
General Municipal Rate—Foreign	625,000	624,886		114
General Municipal Rate—Chinese	955,000	958,062	3,062	
Special Advertisement Rate	1,250	1,329	79	
Wharfage Dues	200,000	203,394	3,394	
Licence Fees	564,100	554,662		9,438
Rent of Municipal Properties	101,290	107,457	6,167	
Revenue from Public and Municipal Undertakings.	183,210	168,619		14,591
	3,462,350	3,455,128	16,921	24,143

Land Tax.—This source of income brought in Tls. 836,719 against Tls. 682,177 in 1916. These figures however include amounts owing by the Shanghai and Hongkew Wharf Company which form the subject of an action now pending in H.B.M. Supreme Court.

The new Land Assessment Schedules were not completed when the estimates for 1917 were compiled; nevertheless the revenue proved remarkably near the budget estimate.

During the year 161 new lots, representing an assessment of Tls. 356,192, have been added to the register and taxed. The following table shows the income derived from each district as compared with the previous year :—

District	1917.	1916.
	Tls.	Tls.
Central	385,309	320,656
Northern	136,184	112,891
Eastern	176,500	134,204
Western	138,726	114,426
	836,719	682,177

General Municipal Rate—Foreign.—The revenue from this source shows a considerable increase over the previous year but is slightly under the estimate. A number of foreign houses have been demolished and, while some are being rebuilt, others have been replaced by Chinese houses. The fact that, by agreement, the French Council has taken over the administration of the district on the south of the Great Western and Siccawei Roads from April 1, 1917, accounts for a loss of revenue of approximately Tls. 4,000 per annum. The relative correspondence was published in the Municipal Gazette of August 30, 1917.

The revenue from the Foreign Rate amounts to Tls. 624,886 against Tls. 601,878 in 1916. During the year 180 new foreign houses have been brought under taxation with an aggregate assessment of Tls. 222,190 and 96 houses have been demolished representing an assessment of Tls. 99,783.

General Municipal Rate—Chinese.—This source of revenue continues to show a substantial increase, the figures being Tls. 958,062 against Tls. 918,645 in 1916.

Details of the houses and assessments on December 31, 1917, and the income derived therefrom, as compared with the previous year, are shown in the following statements :—

INSIDE LIMITS.

	Foreign.		Chinese.	
	1917.	1916.	1917.	1916.
Houses.—Occupied	3,285	3,194	58,042	56,774
Unoccupied	137	174	1,880	2,192
Total	3,422	3,368	59,922	58,966
Assessment	Tls. 5,499,307	Tls. 5,302,209	\$ 11,814,046	\$ 11,494,335
Income	Tls. 604,431	Tls. 580,791	Tls. 953,387	Tls. 914,129

OUTSIDE LIMITS.

	Foreign.		Chinese.	
	1917.	1916.	1917.	1916.
Houses.—Occupied	571	544	1,218	1,208
Unoccupied	9	15	8	15
Total	580	559	1,226	1,223
Assessment	Tls. 362,032	Tls. 380,917	\$ 109,954	\$ 109,462
Income	Tls. 20,455	Tls. 21,087	Tls. 4,675	Tls. 4,516

Special Advertisement Rate.—The fees collected amount to Tls. 1,329 against Tls. 1,318 in 1916.

Wharfage Dues.—The income for each quarter, compared with the previous four years, is given below :—

	1917.	1916.	1915.	1914.	1913.
	Tls.	Tls.	Tls.	Tls.	Tls.
March Quarter	47,806	47,891	41,901	54,761	53,036
June "	49,795	52,185	41,713	51,529	50,763
September "	54,547	53,714	49,659	44,517	55,535
December "	51,246	53,211	50,016	38,555	55,911
	203,394	207,001	183,289	189,362	215,215

Licence Fees.—The receipts from licence fees, especially Chinese theatres, tea shops and other places of entertainment have been somewhat adversely affected by a revision of the method of issuing licences. It has been realised that the production of revenue is not the only object of licensing; and during the past year more attention has been given to the condition of premises licensed with a view to safeguarding the public. It is now necessary for all premises to be approved by the Public Works Department and the Fire Brigade before licences are issued. The result has been that a number of buildings have been rejected as unfit for licensing. It is hoped, however, that when the concerned learn to comply with the Council's requirements the revenue from places of entertainment will improve. The total income from Licence Fees produced Tls. 554,662 against Tls. 651,570 in 1916 or a decrease of Tls. 96,908.

The receipts from licence fees show a deficiency on the estimates of Tls. 9,438 made up as under :—

<i>Excess on :—</i>	<i>Tls.</i>	<i>Deficiency on :—</i>	<i>Tls.</i>
Foreign Liquor Seller	836	Tavern	583
Chinese Wine Shop	866	Billiard and Bowling Saloon	15
Foreign Theatre	1,184	Eating House	2,531
Pawn Shop	2,929	Chinese Club	58
Cargo Boat	241	Chinese Lodging House	117
Launch	5	Tea Shop	505
Motor Car	2,226	Fruit Shop and Stall	572
Cart	1,936	Chinese Theatre	1,258
Private Ricscha	2,553	Exchange Shop	5,000
Wheelbarrow	8,509	Opium Shop	4,610
Dog	172	Tobacco Shop	10,000
		Ferry and Passenger Boat	5
	Tls. 21,457	Chinese Boat	232
		Sampan	200
		Private Pony and Carriage	806
		Livery Stable	855
		Public Ricscha	2,978
		Sedan Chair	20
		Firearms	550
			30,895
		<i>Less—Excess</i>	21,457
			Net Deficiency Tls. 9,438

Eating Houses which are subdivided into Chinese Food Shops and Restaurants, appeared in the licensing schedule for the first time. Provisional licences were issued from April 1, 1917, pending inspection of the premises by the Public Works Department and Fire Brigade. The revenue for three quarters of the year under this heading amounted to Tls. 6,469. It is probable, however, that many of the provisional licences will be eventually withdrawn when the premises are finally inspected. The conditions under which these licences are issued were published in Municipal Notification No. 2440 on April 19, 1917.

Exchange Shops and Tobacco Shops.—The Budget contained provision for the collection of Tls. 15,000 under these headings; but as the Bye-Laws necessary for the levy of these licences have not yet received the necessary ratification no revenue was collected during the year.

Opium Shops.—In accordance with the Council's programme for the suppression of opium shops, as outlined in the Report for 1916, no licences were renewed after March 31, 1917. The licensed sale of opium in the Settlement ceased from that date and no further revenue was received from this source. The receipts for March Quarter amounted to Tls. 45,390 or Tls. 4,610 below the estimate. This deficiency is accounted for by the fact that several shops were closed before March 31 on account of the proprietors being prosecuted for dealing in illicit opium.

Vehicle Licences.—Public Ricsha licences are restricted to 8,000 per month and the revenue from this source is not subject to fluctuation. Private ricshas continue to increase in number from which it would appear that there is still a great demand for this means of locomotion. A slight modification has been made in the conditions governing private carriages and ricshas whereby this licence may now apply to vehicles hired by the licensee for a period of not less than one month. The new conditions are embodied in Municipal Notification No. 2439. Motor Cars continue to increase while the revenue from pony and carriage licences continues steadily to decline. Wheelbarrows and handcarts have increased in number, due probably to the facilities afforded by the new Avenue Edward VII and to the large number of building operations which are going on in and around the Settlement.

The following table gives the average number of all vehicle licences issued per licensing term during the last ten years :—

Year.	Ricsha.		Carriage.		Motor Car. *	Wheelbarrow. †	Sedan Chair. *	Cart. †
	Public. †	Private. *	Public. †	Private. *				
1908§	8,173	4,719	595	916	119	7,060	619	1,046
1909	8,471	4,727	591	851	134	6,661	484	973
1910	7,786	4,712	574	792	151	5,804	331	982
1911	6,508	4,603	535	742	217	5,310	199	958
1912	8,145	4,817	520	749	268	5,790	94	1,003
1913	8,621	5,156	525	753	342	6,437	46	1,230
1914	8,718	5,149	455	735	443	6,938	35	1,400
1915	8,920	4,896	333	720	539	6,777	28	1,425
1916	7,487	5,368	284	731	673	7,460	25	1,546
1917	7,954	5,737	253	688	819	8,404	27	1,718

§ Issued Quarterly.

† Issued monthly.

§ Tramways commenced running in February 1908.

Motor Cars.—The revenue from this source amounts to Tls. 30,226 against Tls. 25,202 in 1916.

The following table gives a description of the motor driven vehicles on the register on December 31, 1917, compared with same date in 1916.

Description.	1917	1916
Motor Cars—Private	713	542
Public	96	91
Trade	19	12
Lorries and Vans	29	16
Cycles	132	75
	989	736

Slaughter House Fees.—The fees from this source produced Tls. 13,486 against Tls. 13,678 in 1916. The number of butchers from whom these fees were collected average 40 per month against 43 during the previous year. The number of animals killed during the year is given in the Health Officer's Report.

Markets.—The new Purdon Market was opened in September 1917 and the fees collected during the four months average \$928.

The total receipts from Market Fees amount to Tls. 98,074 against Tls. 88,580 in 1916, and the following comparative summary gives the total collected from each Market in dollars :—

	1917	1916
Maloo	\$30,837.00	\$29,689.50
Elgin	17,478.00	14,009.00
Hongkew	43,147.00	40,797.00
East Hongkew	11,232.00	9,892.00
Wayside	4,757.00	3,891.00
Yangtszepoo	3,051.00	2,778.00
Quetta (Sungpan)	2,408.00	2,863.00
Mohawk	4,122.00	3,746.00
Wuchow	1,597.00	926.00
Sinza	14,213.00	14,558.00
Furdon	3,711.00	
	<u>\$136,553.00</u>	<u>\$123,149.50</u>

Fruit Shops and Stalls.—The average number licensed per quarter is 224 against 216 in 1916 and the income derived therefrom amounts to Tls. 6,428 against Tls. 4,652 or an increase of Tls. 1,776 for 1917.

The following tables are appended :—

Comparative Statement of Ordinary Revenue from 1907 to 1917.

Summary of Chinese General Municipal Rate.

Summary of Chinese Houses and Assessments.

Comparative Statement of licence fees for the years 1915/17.

Statement of revenue from licence fees during the past ten years.

E. L. ALLEN,
Overseer of Taxes.

COMPARATIVE STATEMENT OF ORDINARY REVENUE FROM 1907 TO 1917.

	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.
Land Tax	456,330	685,105	688,026	689,334	691,000	671,540	674,739	678,067	680,405	682,177	836,719
General Municipal Rate	906,110	1,110,380	1,162,420	1,171,309	1,187,968	1,258,697	1,297,672	1,336,967	1,417,300	1,521,841	1,584,277
Wharfage Dues	179,358	157,957	177,636	173,394	180,778	204,782	215,245	189,362	183,289	207,001	203,394
Licence Fees	394,705	391,357	426,822	446,152	445,451	494,608	535,097	582,058	598,292	651,570	554,662
Rent of Municipal Properties	41,298	40,180	41,599	45,408	50,727	65,139	66,098	73,288	90,767	96,904	107,457
Contributions from Public Companies	5,631	18,185	25,097	29,459	33,704	39,479	69,155	74,640	80,964	173,658	168,619
Total Ordinary Income	1,983,432	2,403,164	2,521,600	2,555,056	2,589,628	2,734,245	2,858,006	2,934,382	3,051,017	3,333,151	3,455,128

SUMMARY OF CHINESE GENERAL MUNICIPAL RATE FOR THE YEAR ENDING SEPTEMBER 30, 1917.

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Annual Report of the Shanghai Municipal Council, 1917.

	DECEMBER QUARTER 1916.						MARCH QUARTER 1917.						JUNE QUARTER 1917.						SEPTEMBER QUARTER 1917.					
	DISTRICT.					Total.	DISTRICT.					Total.	DISTRICT.					Total.	DISTRICT.					Total.
	Central.	Northern.	Eastern.	Western.	Outside Roads.		Central.	Northern.	Eastern.	Western.	Outside Roads.		Central.	Northern.	Eastern.	Western.	Outside Roads.		Central.	Northern.	Eastern.	Western.	Outside Roads.	
Houses occupied by Chinese	11,227	14,807	15,359	13,670	1,187	56,250	11,190	14,804	15,533	13,695	1,205	56,427	11,093	14,866	15,605	13,767	1,196	56,327	11,626	15,341	15,802	13,529	1,195	57,193
Houses occupied by Foreigners	102	1,080	323	206	21	1,732	102	1,098	332	211	21	1,764	97	1,103	345	200	26	1,781	105	1,130	343	196	37	1,811
Houses unoccupied	175	350	637	1,030	15	2,207	231	437	660	1,199	13	2,540	228	360	564	1,181	7	2,338	206	346	525	850	7	2,034
Total	11,504	16,237	16,319	14,906	1,223	60,189	11,523	16,339	16,525	15,105	1,239	60,731	11,416	16,329	16,514	15,148	1,229	60,448	12,037	16,517	16,679	14,575	1,239	61,038
Assessments \$	5,067,811	2,890,130	1,442,909	2,093,476	109,462	11,603,787	5,172,730	2,926,016	1,459,056	2,122,682	110,686	11,791,170	5,128,124	2,914,755	1,465,974	2,128,958	110,686	11,758,497	5,282,891	2,939,677	1,487,323	2,053,860	111,118	11,894,869
Rates collected from Chinese \$	144,351	74,121	39,403	55,299	1,543	314,917	145,868	74,802	39,831	55,287	1,550	317,538	146,006	74,901	40,102	56,342	1,550	318,900	148,319	76,064	40,744	56,285	1,558	322,960
Rates collected from Foreigners \$	2,431	7,541	1,071	584	6	11,633	2,512	7,615	916	598		11,641	2,233	7,906	959	611	7	11,716	2,613	7,904	1,134	578	4	12,133
Total \$	146,782	81,662	40,474	55,883	1,549	326,550	148,380	82,417	40,747	56,185	1,550	329,179	148,238	82,807	41,061	56,953	1,557	330,616	150,932	83,968	41,878	56,863	1,562	335,093
Rates on unoccupied houses \$	4,989	4,576	2,616	6,858	20	19,069	6,751	4,881	2,778	7,401	33	21,844	5,873	4,052	2,878	6,822	14	19,439	7,628	4,277	2,503	4,648	16	19,679
Average Assessment per house \$	440.52	178.00	88.42	140.46	89.50	199.79	448.90	179.08	88.29	140.32	89.33	194.15	450.08	178.49	88.28	140.55	89.33	193.90	438.68	179.18	89.22	140.91	89.70	194.87
Average Rate per house \$	13.22	5.34	2.65	4.21	1.34	5.78	13.47	5.57	2.65	4.22	1.34	5.82	13.50	5.35	2.65	4.22	1.34	5.82	13.17	5.37	2.68	4.23	1.35	5.85
Average unoccupied houses	1.16%	2.16%	3.19%	6.16%	1.18%	3.16%	2%	2.16%	4%	7.19%	1%	4.16%	2%	2.19%	3.16%	7.19%	1%	3.16%	2.16%	2.16%	3.16%	5.16%	1%	3.16%

SUMMARY OF CHINESE HOUSES AND ASSESSMENTS FOR THE YEAR ENDING SEPTEMBER 30, 1917.

	DECEMBER QUARTER, 1916.			MARCH QUARTER, 1917.			JUNE QUARTER, 1917.			SEPTEMBER QUARTER, 1917.			TOTAL FOR THE YEAR.		
	Houses.		Assessment.	Houses.		Assessment.	Houses.		Assessment.	Houses.		Assessment.	Houses.		Assessment.
Brought forward from previous quarter	59,377		\$ 11,386,842	60,189		\$ 11,603,797	60,731		\$ 11,791,170	60,646		\$ 11,758,497	59,377		\$ 11,386,842
New houses assessed	1,032		145,842	569		82,937	194		23,753	238		29,114	2,033		281,646
Houses rebuilt and reassessed	398		171,632	286		133,200	242		50,993	376		156,385	1,302		512,210
Houses outside Settlement limits				16		1,368				1		480	17		1,848
Sundry increases in Assessments	1,430	9,666	327,140	871	79,080	296,585	436	23,394	98,140	615	19,814	205,793	3,352	131,954	927,658
Less—	60,807		11,713,982	61,060		11,900,382	61,167		11,889,310	61,261		11,964,290	62,729		12,314,500
Houses pulled down	618		78,396	329		88,908	521		101,526	222		41,344	1,690		310,174
Houses pulled down, etc., outside Settlement limits										1		48	1		48
Sundry reductions	618	31,789	110,185	329	20,304	109,212	521	29,287	130,813	223	28,029	69,421	1,691	109,409	419,631
Totals	60,189		11,603,797	60,731		11,791,170	60,646		11,758,497	61,038		11,894,869	61,038		11,894,869
Increase over previous quarter	812			542						392			1,661		
Decrease on previous quarter							85								

COMPARATIVE STATEMENT OF LICENCE FEES FOR THE YEARS 1915-17.

Description	1917.				1916.				1915.			
	Number of Licences.	Amount.	Average.		Number of Licences.	Amount.	Average.		Number of Licences.	Amount.	Average.	
			Number.	Amount.			Number.	Amount.			Number.	Amount.
		Tls. cts.		Tls. cts.		Tls. cts.		Tls. cts.		Tls. cts.		Tls. cts.
Tavern	283	18,417.00	* 71	4,604.25	284	18,825.00	* 72	4,706.25	258	17,531.00	* 64	4,383.60
Foreign Liquor Seller	326	23,836.46	* 81	5,939.12	324	21,735.85	* 81	5,448.96	265	17,716.72	* 91	4,429.18
Billiard and Bowling Saloon	74	484.50	* 18	121.12	78	526.00	* 19	132.00	112	557.50	* 28	139.37
Eating House	2,549	6,468.50	* 849	2,166.17								
Chinese Club	179	4,441.70	* 45	1,110.42	164	4,037.60	* 41	1,009.40	141	3,512.50	* 35	878.13
Chinese Lodging House	1,371	13,383.00	* 343	3,345.75	1,418	13,145.50	* 354	3,286.37	1,448	12,563.20	* 362	3,140.80
Chinese Wine Shop	4,646	35,366.29	* 1,161	8,511.57	4,430	33,421.28	* 1,107	8,355.32	4,107	31,552.00	* 1,027	7,838.00
Tea Shop	8,131	16,994.75	* 678	1,416.23	8,453	18,849.50	* 704	1,320.82	8,206	9,816.10	* 684	818.01
Fruit Shop and Stall	895	6,428.38	* 224	1,607.09	618	4,652.12	* 216	1,550.71				
Foreign Theatre	256	6,684.00	21	557.00	212	5,583.23	18	465.44	211	5,517.40	18	459.78
Chinese Theatre	207	8,742.00	17	728.50	247	9,213.19	21	767.76	262	9,948.00	22	770.42
Pawn Shop	1,211	26,929.10	* 303	6,732.27	1,184	23,967.44	* 296	5,991.86	1,183	22,217.58	* 296	5,554.39
Opium Shop	383	45,390.00	128	15,130.00	3,122	180,666.50	260	18,055.24	6,454	137,290.25	538	11,440.85
Cargo-boat, Foreign	729	1,914.58	61	159.55	669	1,730.64	56	141.22	649	1,661.95	54	138.20
Chinese	9,818	4,126.65	† 1,636	687.77	9,899	4,066.00	† 1,650	677.67	9,763	3,993.31	† 1,627	665.55
Ferry and Passenger Boat	763	1,095.13	64	91.28	766	1,086.55	63	90.85	765	1,107.42	64	92.28
Launch	1,376	3,305.00	115	287.08	1,362	2,941.62	113	245.13	1,411	2,333.36	118	196.11
Chinese Boat	18,378	4,268.36	1,331	335.70	19,529	4,839.00	1,627	378.25	20,913	4,867.97	1,743	405.66
Sampan	1,393	999.93	† 232	166.65	1,583	1,138.12	† 264	189.69	1,545	1,116.48	† 258	186.08
Private	Pony	3,137	* 784	3,048.59	3,331	12,046.97	* 833	3,236.74	3,242	12,800.31	* 810	3,200.08
	Carriage	2,733			2,924				2,880			
	Ricsha	22,919			21,473				19,586			
Livery Stable	Houses	1,018	85	1,012.00	1,078	13,440.00	90	1,120.01	1,157	15,574.89	96	1,297.91
	Ponies	4,796			5,000				5,556			
	Carriages	3,032			3,407				3,998			
Motor Car	3,277	30,225.61	* 819	7,526.40	2,691	25,202.48	* 673	6,300.62	2,158	20,196.71	* 539	5,049.18
Cart	Pony Carts and Waggons	447	1,048	2,096.67	501	25,310.00	42	1,949.17	541	21,954.00	45	1,829.50
	Hand Carts	12,580			11,735				10,977			
	Trolleys	7,589			6,291				5,580			
Public Ricsha	95,448	137,021.61	7,954	11,418.47	89,845	129,278.79	7,487	10,773.25	107,041	134,690.11	8,920	12,890.84
Sedan Chair	109	180.05	* 27	45.01	99	204.30	* 25	51.07	111	226.09	* 28	56.52
Wheelbarrow	100,844	50,508.82	8,404	4,203.07	89,522	44,839.72	7,460	3,736.64	81,332	40,727.43	6,777	3,393.85
Firearms	5	490.00	* 1	112.50	12	1,500.00	* 3	375.00	12	1,500.00	* 3	375.00
Dog	2,631	3,771.87	219	314.23	2,582	2,964.64	215	246.22	2,432	1,754.87	203	146.24

*Quarterly Average.

† Bi-monthly Average.

STATEMENT SHOWING REVENUE FROM LICENCE FEES DURING THE PAST TEN YEARS.

	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.
Tavern	6,251	7,396	14,914	15,270	15,871	16,573	17,387	17,534	18,825	18,417
Restaurant	4,760	4,295								
Foreign Liquor Seller	18,363	17,552	16,776	19,240	19,392	19,483	19,284	17,717	21,796	23,836
Billiard and Bowling Saloon	668	630	729	708	582	663	562	558	526	485
Eating House	—	—	—	—	—	—	—	—	—	6,469
Chinese Club	—	2,312	2,975	2,788	2,808	3,146	3,175	3,513	4,038	4,442
Chinese Lodging House	6,647	7,146	7,032	6,833	7,773	10,672	11,379	12,563	13,146	13,383
Chinese Wine Shop	9,958	15,102	19,134	25,324	26,273	28,584	29,619	31,352	33,421	35,366
Tea Shop	5,896	8,567	9,522	9,576	8,977	9,484	9,290	9,816	15,850	16,995
Fruit Shop and Stall									4,652	6,128
Foreign Theatre	2,249	4,611	5,039	3,992	4,396	4,744	5,702	5,517	5,585	6,684
Chinese Theatre	3,728	4,197	5,630	6,617	7,251	8,711	9,029	9,245	9,213	8,742
Pawn Shop	16,881	16,130	18,908	19,524	17,724	19,392	21,304	22,218	23,967	26,929
Opium House	48,454	40,420								
Opium Shop	5,770	21,955	55,129	62,631	67,664	86,386	122,624	137,290	180,666	45,390
Cargo Boat	5,264	5,292	5,539	5,424	5,301	5,471	5,348	5,655	5,797	6,041
Ferry and Passenger Boat	1,108	1,082	1,092	1,074	1,073	1,052	1,099	1,107	1,087	1,095
Launch	2,253	2,274	2,243	2,269	2,259	2,221	2,404	2,353	2,942	3,205
Chinese Boat	3,652	3,365	3,254	3,565	3,753	4,708	5,020	4,868	4,539	4,268
Sampan	1,470	1,341	1,199	1,063	981	1,110	1,111	1,117	1,138	1,006
Private Pony and Carriage	15,368	16,185	14,886	13,958	13,934	13,785	13,691	12,800	12,947	12,194
Livery Stable	27,611	27,634	26,754	25,355	24,385	24,143	20,797	15,575	13,440	12,145
Motor Car	2,428	3,027	5,449	8,029	10,043	12,376	16,619	20,197	25,202	30,226
Cart	15,894	18,300	19,715	18,325	19,384	22,945	26,266	26,457	28,267	30,436
Private Ricsha	37,252	41,039	41,265	40,581	42,678	44,709	44,022	41,942	45,748	48,553
Public Ricsha	107,699	112,540	128,568	116,630	151,004	151,519	151,077	154,690	129,279	137,022
Sedan Chair	5,450	4,264	2,889	1,729	798	363	268	226	204	180
Wheelbarrow	33,302	36,914	34,873	31,927	34,795	38,670	41,670	40,727	44,840	50,509
Firearms	2,025	2,175	1,650	1,725	4,125	2,400	2,175	1,500	1,500	450
Dogs	956	1,047	983	1,314	1,384	1,784	1,736	1,755	2,955	3,772
	391,357	426,822	446,152	445,451	494,608	535,097	582,058	593,292	651,570	554,662

*Note.—Taverns and Restaurants were amalgamated under the heading of "Taverns" in 1910.
Chinese Clubs were first licensed in 1909.
Opium Houses were abolished in 1910.
Eating Houses were first licensed April 1, 1917.

FINANCIAL STATEMENT

ESTIMATED AND ACTUAL INCOME AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1917.

ORDINARY INCOME.					Estimated.		Actual.	
					Tls.	Tls.	Tls.	Tls.
LAND TAX.								
At $\frac{6}{10}$ ths of 1 per cent on assessed value of property.— <i>Less</i>								
7½ per cent								
Central District	...	...	...	...	385,000		885,308.64	
Northern District	...	...	...	...	135,500		136,183.63	
Eastern District	...	...	...	...	175,000		176,500.44	
Western District	...	...	...	...	137,000		138,725.94	
						832,500		836,718.65
GENERAL MUNICIPAL RATE.								
Foreign.								
At 12 per cent on assessed rental of rateable foreign houses...					604,000		604,431.03	
At 6 per cent on the same, beyond Settlement limits, under provision of the agreement of July 1, 1905, with the Shanghai Waterworks Co., Ltd.					21,000		20,455.38	
						625,000		624,886.41
Chinese.								
At 12 per cent on assessed rental of rateable Chinese houses...					950,400		953,387.52	
At 6 per cent on the same, beyond Settlement limits, as above					4,600		4,674.81	
						955,000		958,062.33
Special Advertisement Rate						1,250		1,328.78
WHARFAGE DUES.								
Council's share of dues, as per tariff, on goods passed through the Custom House.								
March Quarter	...	...	...	...	200,000		47,805.60	
June Quarter	...	...	...	...			49,794.60	
September Quarter	...	...	...	...			54,547.47	
December Quarter	...	...	...	...			51,246.34	
								203,394.01
<i>Carried forward</i>						2,613,700		2,624,390.18

FINANCIAL STATEMENT 1917—continued.

ORDINARY INCOME.					Estimated.		Actual.	
					Tls.	Tls.	Tls.	Tls.
<i>Brought forward</i>						2,613,750		2,624,390.18
LICENCE FEES.								
Tavern ...	...	...	...	...	19,000		18,417.00	
Foreign Liquor Seller ...	...	...	...	...	23,000		23,836.46	
Billiard and Bowling Saloon ...	...	...	...	...	500		484.50	
Eating House ...	...	...	...	...	9,000		6,465.50	
Chinese Club ...	...	...	...	...	4,500		4,441.70	
Chinese Lodging House ...	...	...	...	...	13,500		13,383.00	
Chinese Wine Shop ...	...	...	...	...	34,500		35,366.29	
Tea Shop ...	...	...	...	...	17,500		16,994.75	
Fruit Shop and Stalls ...	...	...	...	...	7,000		6,428.38	
Foreign Theatre ...	...	...	...	...	5,500		6,684.00	
Chinese Theatre ...	...	...	...	...	10,000		8,742.00	
Pawn Shop ...	...	...	...	...	24,000		26,929.10	
Exchange Shop ...	...	...	...	...	5,000			
Opium Shop ...	...	...	...	...	50,000		45,390.06	
Tobacco Shop ...	...	...	...	...	10,000			
Cargo Boat ...	...	...	...	...	5,800		6,041.23	
Ferry and Passenger Boat ...	...	...	...	...	1,100		1,095.13	
Launch ...	...	...	...	...	3,200		3,505.00	
Chinese Boat ...	...	...	...	...	4,500		4,268.36	
Sampan ...	...	...	...	...	1,200		999.93	
Private-owned Pony and Carriage ...	...	...	...	...	13,000		12,194.36	
Livery Stable ...	...	...	...	...	13,000		12,145.14	
Motor Car ...	...	...	...	...	28,000		30,225.61	
Cart ...	...	...	...	...	28,500		30,435.50	
Private-owned Ricscha ...	...	...	...	...	46,000		48,553.24	
Public Ricscha ...	...	...	...	...	140,000		137,021.61	
Sedan Chair ...	...	...	...	...	200		180.05	
Wheelbarrow ...	...	...	...	...	42,000		50,508.82	
Firearms ...	...	...	...	...	1,000		450.00	
Dog ...	...	...	...	...	3,600		3,771.87	
						564,100		554,661.53
RENT OF MUNICIPAL PROPERTIES.								
Markets.								
Maloo ...	...	...	...	...	21,400		22,145.50	
Elgin ...	...	...	...	...	10,100		12,552.41	
Hongkew ...	...	...	...	...	30,000		30,982.47	
East Hongkew ...	...	...	...	...	7,000		8,068.32	
Wayside ...	...	...	...	...	2,800		3,417.00	
Yangtzepoo ...	...	...	...	...	2,100		2,191.51	
Sampan ...	...	...	...	...	2,100		1,729.65	
Mohawk ...	...	...	...	...	3,000		2,960.01	
Sinza ...	...	...	...	...	11,250		10,508.08	
Wuchow ...	...	...	...	...	1,000		1,147.07	
Purdon ...	...	...	...	...	1,500		2,671.80	
						92,250		98,073.82
Town Hall ...	...	...	...	...		100		910.00
Firemen's Quarters.								
Central Station ...	...	...	...	...	1,500		1,215.00	
Hongkew Station ...	...	...	...	...	950		694.50	
Sinza Station ...	...	...	...	...	650		761.00	
						3,100		2,670.50
Assessed Rentals of Municipal Quarters ...	...	...	...	...		6,340		5,340.00
Miscellaneous ...	...	...	...	...		500		462.21
REVENUE FROM PUBLIC AND MUNICIPAL UNDERTAKINGS.								
Shanghai Waterworks Co., Ltd., Final Dividend for 1916 and Interim dividend for 1917 on 2,470 Shares ...	...	...	...	...	36,600		33,252.57	
Shanghai Gas Co., Ltd., Royalty ...	...	...	...	...	1,000		1,000.00	
Shanghai Mutual Telephone Co., Ltd., Dividend on 1,333 shares from April 1, 1916, to March 31, 1917 ...	...	...	...	...	5,330		5,332.00	
Shanghai Electric Construction Co., Ltd., Royalty of 5 per cent. on gross receipts from Tramway Service ...	...	...	...	...	46,500		45,254.94	
Electricity Department, Interest at 6 per cent. per annum on balance of Net Revenue Account at December 31, 1915 ...	...	...	...	...	55,280		55,280.00	
Convict Labour, Contribution to General Funds ...	...	...	...	...	1,000		4,000.00	
Concreteware Manufactory " " ...	...	...	...	...	20,000		10,000.00	
Pingchiao Quarry " " ...	...	...	...	...	15,000		12,000.00	
Tungchow Road Workshop " " ...	...	...	...	...	2,500		2,500.00	
						183,210		168,619.51
Totals carried to Summary						3,462,350		3,455,127.75

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
VOLUNTEER CORPS.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...	4,320		5,520.00	
Chinese	...	...	...	...	...	2,300		2,594.55	
							6,620		8,114.55
<i>Superannuation</i>	...	...	...	...	...		240		240.00
<i>Locomotion</i>	...	...	...	...	...		1,600		1,904.90
<i>Fuel</i>	...	...	...	...	...		300		351.04
<i>Light</i>	...	...	...	...	...		700		468.60
<i>Printing, Stationery, etc.</i>	...	...	...	...	...		1,000		1,132.43
<i>Insurance</i>	...	...	...	...	...		620		607.00
<i>Telephone Service</i>	...	...	...	...	...		400		454.97
<i>Postage</i>	...	...	...	...	...		250		108.15
<i>Uniform</i>	...	...	...	...	...		18,000		14,581.68
<i>Band</i>	...	...	...	...	...		1,000		871.40
<i>Artillery Ponies</i>	...	...	...	...	...		5,500		5,731.26
<i>Repairs to Arms and Accoutrements</i>	...	...	...	...	...		1,500		734.49
<i>Ammunition</i>	...	...	...	...	...		15,600		11,359.62
<i>Camp of Exercise</i>	...	...	...	...	...		3,500		1,151.28
<i>Subscription to N.R.A.</i>	...	...	...	...	...		80		65.88
<i>Maintenance of Range</i>	...	...	...	...	...		3,200		2,870.59
<i>Chinese Government Land Tax</i>	...	...	...	...	...		250		270.28
<i>Miscellaneous</i>	...	...	...	...	...		2,000		1,178.02
							62,360		52,196.14
<i>Less—Sale of Cartridge Cases, etc.</i>	...	...	...	...	...		5,000		2,202.48
Totals carried to Summary	...	...	...	...	...		57,360		49,993.66
STOCK AND STORES.									
<i>Barrels for Short Rifles</i>	...	...	...	...	...		2,000		
<i>Ponies</i>	...	...	...	...	...		600		367.40
<i>Component Parts of Saddlery</i>	...	...	...	...	...		2,000		701.90
<i>Engineer Company—Stores</i>	...	...	...	...	...		750		812.49
<i>Accoutrements</i>	...	...	...	...	...		3,000		555.62
<i>Gymnasium Equipment</i>	...	...	...	...	...		800		130.92
<i>Clyno Motor Cycle</i>	...	...	...	...	...				500.00
<i>Furniture and Sundries</i>	...	...	...	...	...		500		215.95
<i>Ammunition</i>	...	...	...	...	...		11,000		14,165.60
Totals carried to Summary	...	...	...	...	...		20,150		17,449.88
Credit.									
<i>Value of Stores issued</i>	...	...	...	...	...		17,000		12,712.75
Totals carried to Summary	...	...	...	...	...		Cr. 17,000		Cr. 12,712.75

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.							Estimated.		Actual.	
							Tls.	Tls.	Tls.	Tls.
FIRE BRIGADE.										
<i>Pay.</i>										
Foreigners	...	...	...	...	...	...	16,450		17,226.67	
Chinese	...	...	...	...	...	...	20,080		22,502.49	
								36,530		39,819.16
<i>Superannuation</i>	...	...	...	...	...	...		1,190		1,183.14
<i>Medical Aid</i>	...	...	...	...	...	...		300		166.80
<i>Locomotion</i>	...	...	...	...	...	...		1,000		1,009.72
<i>Fuel</i>	...	...	...	...	...	...		4,500		5,477.96
<i>Light</i>	...	...	...	...	...	...		1,800		1,839.22
<i>Water</i>	...	...	...	...	...	...		1,200		1,159.69
<i>Printing, Stationery, etc.</i>	...	...	...	...	...	...		600		408.35
<i>Insurance</i>	...	...	...	...	...	...		2,400		2,412.71
<i>Uniform</i>	...	...	...	...	...	...		4,500		3,983.95
<i>Plant and Equipment, maintenance and repairs</i>	...	...	...	...	...	...		6,500		7,521.64
<i>Hose Renewals</i>	...	...	...	...	...	...		5,000		5,877.94
<i>Telephones and Fire Alarms</i>	...	...	...	...	...	...		2,250		2,470.80
<i>Stud</i>	...	...	...	...	...	...		500		638.86
<i>Refreshments for Firemen at Fires</i>	...	...	...	...	...	...		400		315.90
<i>Miscellaneous</i>	...	...	...	...	...	...		600		1,209.32
								69,270		75,495.16
<i>Less—Receipts for Services of Fire Float, etc.</i>	...	...	...	...	...	...	1,000		975.00	
" " <i>Watching and Salvage Services</i>	...	...	...	...	...	...	500		292.48	
								1,500		1,267.48
Totals carried to Summary	...	...	...	...	...	...		67,770		74,227.68
STOCK AND STORES.										
<i>Electric Motor Tender</i>	...	...	...	...	...	...		4,500		
<i>Three Motor Lorries</i>	...	...	...	...	...	...				4,434.40
<i>Motor Bicycle</i>	...	...	...	...	...	...		350		444.64
<i>Ladders and Life Saving Appliances</i>	...	...	...	...	...	...		1,000		916.91
<i>Hose Fittings and Attachments</i>	...	...	...	...	...	...		1,000		1,022.89
<i>General Appliances and Tools</i>	...	...	...	...	...	...		2,000		2,971.24
<i>Hydrant Indicator Plates</i>	...	...	...	...	...	...		1,500		
<i>Lathe and Accessories</i>	...	...	...	...	...	...				951.08
<i>Furniture and Sundries</i>	...	...	...	...	...	...		2,150		2,481.67
<i>Quarters for Staff of Fire Float</i>	...	...	...	...	...	...		500		
Totals carried to Summary	...	...	...	...	...	...		13,000		13,222.83

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
POLICE FORCE.									
<i>Pay and Allowances.</i>									
<i>Foreign Branch.</i>									
Pay ...	...	...	...	...	...	320,130		316,233.19	
Language Bonus ...	...	...	...	...	...	24,000		23,153.30	
<i>Allowances.</i>									
Mixed Court ...	...	...	...	...	...	3,600		3,585.00	
Depôt ...	...	...	...	...	...	100			
Stenographer ...	...	...	...	...	...	240		240.00	
<i>Japanese Branch.</i>							348,070		343,211.49
Pay ...	...	...	...	...	...	21,990		20,465.57	
Deferred Pay ...	...	...	...	...	...	1,400		1,537.60	
Language Bonus ...	...	...	...	...	...	470			
<i>Sikh Branch.</i>							23,860		22,003.17
Pay ...	...	...	...	...	...	98,870		99,673.30	
Deferred Pay ...	...	...	...	...	...	14,500			
Language Bonus ...	...	...	...	...	...	2,750		3,158.10	
<i>Allowances.</i>									
Rent ...	...	...	...	...	...	4,500		3,548.32	
Drill ...	...	...	...	...	...	100		46.73	
Traffic ...	...	...	...	...	...	740		726.72	
<i>Chinese Branch.</i>							121,460		120,838.11
Pay ...	...	...	...	...	...	212,215		210,586.73	
Language Bonus ...	...	...	...	...	...	270		182.09	
<i>Allowances.</i>									
Gatemen ...	...	...	...	...	...	200		139.28	
Drill and Traffic ...	...	...	...	...	...	600		652.97	
Merit ...	...	...	...	...	...	445		431.64	
<i>Superannuation</i> ...							42,500		40,051.42
<i>Passages</i> ...							10,000		7,593.90
<i>Recruiting Expenses</i> ...							500		
<i>Uniform and Equipment</i> ...							65,000		68,883.98
<i>Locomotion</i> ...							19,000		19,002.86
<i>Medical Aid.</i>									
Pay of Sikh Assistant ...	...	...	...	...	...	700		696.24	
Medicines ...	...	...	...	...	...	1,000		994.48	
Hospital Charges ...	...	...	...	...	...	10,500		8,547.70	
<i>Patrol Ponies.</i>							12,200		10,238.42
Pay of Mafoos ...	...	...	...	...	...	1,700		1,645.26	
Fodder, Shoeing, Clipping, etc.	...	...	...	...	...	3,300		3,811.24	
Repairs to Saddlery ...	...	...	...	...	...	200		185.03	
<i>Fuel</i> ...							5,800		5,641.53
<i>Light.</i>							34,000		37,096.04
General ...	...	...	...	...	...	15,300		15,731.83	
Oil for Police lamps ...	...	...	...	...	...	1,250		1,328.89	
<i>Water</i> ...							16,550		17,060.72
Printing, Stationery, etc.	...	...	...	...	...	4,580		4,251.98	
Insurance ...	...	...	...	...	...	8,500		8,491.54	
Telephone Service ...	...	...	...	...	...	2,800		2,695.49	
Funeral Expenses ...	...	...	...	...	...	4,450		4,545.53	
<i>Expenses of Prisoners.</i>							500		137.65
Food ...	...	...	...	...	...	31,160		36,102.91	
Clothing ...	...	...	...	...	...	6,000		8,392.50	
Photographs ...	...	...	...	...	...	780		720.44	
Miscellaneous ..	...	...	...	...	...	3,800		4,843.28	
<i>Expenses of catching Stray Dogs</i> ...							41,740		50,059.13
							2,580		2,256.89
<i>Carried forward</i>							977,320		976,052.56

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
<i>Brought forward</i>							977,820		976,032.56
POLICE FORCE—continued.									
<i>Maintenance and Repairs.</i>									
Furniture, etc.	...	...	...	...	...	13,500		10,145.81	
Arms	...	...	...	...	...	400		216.20	
							13,900		10,362.01
Gratuities	...	...	...	...	...		2,000		1,487.39
Musketry Course	...	...	...	...	...		6,200		6,290.87
Legal Expenses	...	...	...	...	...		500		260.00
Contribution to Recreation and Rewards Fund	...	...	...	...	...				2,803.79
<i>Mixed Court.</i>									
Pay of Court Officials	...	...	...	...	...	16,820		16,972.94	
Pay and Expenses of Police	...	...	...	...	...	35,250		35,380.00	
Grant to Sinza Refuge	...	...	...	...	...	500		500.00	
Sundry Expenses	...	...	...	...	...	11,000		11,608.82	
							63,570		64,461.76
Secret Service	...	...	...	...	...				1,545.09
Miscellaneous	...	...	...	...	...		4,500		6,066.92
							1,068,490		1,069,330.39
<i>Less.</i>									
Mixed Court Fines	...	...	...	...	...	30,000		43,006.81	
" Filing and Hearing Fees	...	...	...	...	...	16,000		14,991.63	
" Pay and Expenses of Police, transferred	...	...	...	...	...	35,250		35,380.00	
Convict Labour	...	...	...	...	...	2,600		1,800.00	
Receipts for Special Services	...	...	...	...	...	31,000		28,169.31	
Proceeds from sale of Unclaimed Property	...	...	...	...	...	1,000		512.70	
Dog Redemption Fees	...	...	...	...	...	1,500		1,888.05	
Fines for lost and damaged Licence Plates...	...	...	...	...	...			222.38	
							117,350		125,970.88
Totals carried to Summary	...	...	...	...	...		951,140		943,359.51
STOCK AND STORES.									
Furniture and Sundries	...	...	...	...	...		4,550		3,622.42
for Mixed Court	...	...	...	...	...		2,500		7,281.12
Fire Hose	...	...	...	...	...		550		
Motor Car	...	...	...	...	...		1,100		945.00
Motor Launch	...	...	...	...	...		4,000		
2 Motor Ambulances	...	...	...	...	...		5,000		2,454.81
Saddlery, etc.	...	...	...	...	...		400		18.37
15 Bicycles	...	...	...	...	...		1,350		964.71
30 Revolvers	...	...	...	...	...		900		
Uniform and Equipment	...	...	...	...	...		63,000		63,866.03
3 Police Boxes	...	...	...	...	...		450		380.40
Miscellaneous	...	...	...	...	...		1,000		315.78
Totals carried to Summary	...	...	...	...	...		84,800		79,848.66
<i>Credit.</i>									
Value of Stores issued	...	...	...	...	...		66,000		68,167.97
Totals carried to Summary	...	...	...	...	...		Cr. 66,000		Cr. 68,167.97

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
HEALTH DEPARTMENT.									
HEALTH OFFICE.									
GENERAL.									
<i>Pay.</i>									
Foreigners ...	...	...	...	...	...	98,470		97,264.27	
Language Bous ...	...	...	...	...	...	4,000		3,854.52	
Chinese ...	...	...	...	...	...	44,500		43,322.03	
							146,970		144,440.82
<i>Superannuation</i> ...	...	...	...	...	...		10,000		9,589.30
<i>Passages</i> ...	...	...	...	...	...		2,000		1,766.90
<i>Locomotion</i> ...	...	...	...	...	...		4,000		3,696.75
<i>Fuel</i> ...	...	...	...	...	...		1,200		1,542.34
<i>Light</i> ...	...	...	...	...	...		700		729.34
<i>Water</i> ...	...	...	...	...	...		3,750		3,010.55
<i>Printing, Stationery, etc.</i> ...	...	...	...	...	...		1,250		960.94
<i>Insurance</i> ...	...	...	...	...	...		1,360		1,357.96
<i>Telephone Service</i> ...	...	...	...	...	...		700		694.40
<i>Notification of Infectious Disease</i> ...	...	...	...	...	...		500		709.00
<i>Laboratory Apparatus, Animals and Chemicals</i> ...	...	...	...	...	...		10,000		7,431.17
<i>Disinfection</i> ...	...	...	...	...	...		4,800		2,997.18
<i>Sanitary Apparatus and Materials</i> ...	...	...	...	...	...		2,500		2,402.23
<i>House Refuse Disposal</i> ...	...	...	...	...	...		3,000		3,713.75
<i>Maintenance and Repairs</i> ...	...	...	...	...	...		500		162.81
<i>Rent of Sub-District Offices</i> ...	...	...	...	...	...		2,100		1,838.73
<i>Working Expenses of Vacuum Tank Wagons</i> ...	...	...	...	...	...		500		
<i>Miscellaneous</i> ...	...	...	...	...	...		500		1,171.73
							196,330		188,215.90
PLAGUE PREVENTION.									
<i>Pay of Chinese Staff</i> ...	...	...	...	...	...			6,371.28	
<i>Sanitary Apparatus and Materials</i> ...	...	...	...	...	...			602.54	
<i>Laboratory Apparatus, Animals and Chemicals</i> ...	...	...	...	...	...			400.56	
<i>Disinfection</i> ...	...	...	...	...	...		25,000	2,446.61	
<i>Rat-proofing Materials, etc.</i> ...	...	...	...	...	...			7,017.63	
<i>Miscellaneous</i> ...	...	...	...	...	...			338.39	
									17,177.01
MOSQUITO EXTERMINATION.									
<i>Pay of Chinese Staff</i> ...	...	...	...	...	...	3,000		3,015.73	
<i>Sanitary Apparatus and Materials, etc.</i> ...	...	...	...	...	...	6,000		4,593.45	
							9,000		7,609.18
<i>Less.</i>							230,330		213,002.09
Receipts from Laboratory ...	...	...	...	...	...	19,000		36,418.01	
Contribution from French Municipal Council to Laboratory	...	...	...	...	...	1,000		1,000.00	
Slaughter House Fees ...	...	...	...	...	...	13,500		13,485.73	
Ordure Disposal ...	...	...	...	...	...	133,200		127,733.92	
							166,700		178,637.66
Totals carried to Summary ...	...	...	...	...	...		63,630		34,364.43

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.	Estimated.		Actual.	
	Tls.	Tls.	Tls.	Tls.
HEALTH DEPARTMENT—continued.				
HOSPITALS.				
VICTORIA NURSING HOME.				
<i>Pay and Sundry Expenses of Nursing Staff</i>	32,810		27,456.99	
<i>Pay of Chinese Staff</i>	5,000		4,815.41	
		37,810		32,272.40
<i>Locomotion</i>		600		620.80
<i>Fuel</i>		6,500		8,752.23
<i>Light</i>		1,850		1,915.64
<i>Water</i>		2,000		1,127.74
<i>Printing, Stationery, etc.</i>		250		272.16
<i>Insurance</i>		520		517.59
<i>Telephone Service</i>		275		201.00
<i>Drugs and Instruments</i>		5,500		4,321.87
<i>Messing</i>		23,000		19,064.35
<i>Washing</i>		3,000		3,617.10
<i>Maintenance and Repairs</i>		4,000		1,719.73
<i>Miscellaneous</i>		750		1,662.09
		86,055		76,064.40
<i>Less—Fees from Patients</i>		42,500		43,763.52
Totals carried to Summary		43,555		32,300.88
ISOLATION HOSPITAL.				
<i>Pay and Sundry Expenses of Nursing Staff</i>	13,310		11,933.18	
<i>Pay of Chinese Staff</i>	1,800		1,978.31	
		15,110		13,911.49
<i>Fuel</i>		2,500		2,466.01
<i>Light</i>		1,300		952.76
<i>Water</i>		1,000		381.60
<i>Printing, Stationery, etc.</i>		200		119.26
<i>Insurance</i>		400		368.90
<i>Telephone Service</i>		300		174.00
<i>Drugs, Instruments and Disinfectants</i>		1,000		1,334.12
<i>Messing</i>		7,500		6,195.32
<i>Washing</i>		1,100		928.13
<i>Maintenance and Repairs</i>		2,250		992.10
<i>Miscellaneous</i>		750		180.68
		33,310		28,004.37
<i>Less—Receipts from Patients</i>		2,000		2,798.48
Totals carried to Summary		31,310		25,205.89
ISOLATION HOSPITAL FOR CHINESE.				
<i>Pay and Sundry Expenses of Nursing Staff</i>	2,275		2,063.58	
<i>Pay of Chinese Staff</i>	1,850		2,079.89	
		4,125		4,143.47
<i>Fuel</i>		500		486.55
<i>Light</i>		300		245.59
<i>Water</i>		400		124.80
<i>Printing, Stationery, etc.</i>		100		82.38
<i>Insurance</i>		75		75.38
<i>Telephone Service</i>		55		41.00
<i>Drugs, Instruments and Disinfectants</i>		1,000		872.40
<i>Messing</i>		3,100		2,868.10
<i>Washing</i>		500		448.84
<i>Maintenance and Repairs</i>		1,000		683.36
<i>Miscellaneous</i>		150		17.96
		11,305		10,089.83
<i>Less—Receipts from Patients</i>	2,000		2,146.60	
Registration Fees, etc.	2,600		2,437.51	
Contribution from French Municipal Council	600		600.00	
		5,200		5,184.11
Totals carried to Summary		6,105		4,905.72

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.	Estimated.		Actual.	
	Tls.	Tls.	Tls.	Tls.
HEALTH DEPARTMENT—continued.				
HOSPITALS—continued.				
POLICE HOSPITAL (SIKHS).				
Pay and Sundry Expenses of Nursing Staff	1,380		1,321.04	
Pay of Chinese Staff	430		417.84	
Fuel		1,810		1,738.88
Light		423		414.73
Water		200		147.76
Printing, Stationery, etc.		400		45.50
Insurance		50		45.82
Telephone Service		35		35.00
Drugs and Instruments		25		26.00
Messing		750		564.45
Washing		1,500		926.95
Maintenance and Repairs		150		110.15
Miscellaneous		550		29.83
		60		54.58
Less—Fees from Patients		5,945		4,139.65
		5,500		3,519.00
Totals carried to Summary		445		620.65
POLICE HOSPITAL (CHINESE.)				
Pay and Sundry Expenses of Nursing Staff	1,380		1,324.12	
Pay of Chinese Staff	2,700		2,872.66	
Fuel		4,080		4,196.78
Light		550		605.71
Water		250		152.65
Printing, Stationery, etc.		100		45.50
Insurance		50		40.57
Telephone Service		50		49.50
Drugs and Instruments		25		26.00
Messing		1,150		1,262.41
Washing		1,750		1,421.38
Maintenance and Repairs		230		177.08
Miscellaneous		500		39.24
		200		239.07
Less—Fees from Patients		8,935		8,255.89
		6,500		5,111.50
Totals carried to Summary		2,435		3,144.39
SANATORIUM.				
Pay and Sundry Expenses of Nursing Staff	935		977.14	
Pay of Chinese Staff	650		1,070.58	
Locomotion		1,585		2,047.72
Fuel		300		148.43
Light		175		147.89
Printing, Stationery, etc.		150		101.56
Insurance		50		15.00
Drugs, Instruments and Disinfectants		30		30.00
Messing		75		55.05
Washing		3,000		3,466.61
Maintenance and Repairs		200		285.66
Miscellaneous		800		863.68
		200		203.50
Less—Receipts from Visitors		6,565		7,365.10
		2,000		1,489.32
Totals carried to Summary		4,565		5,875.78

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.	Estimated.		Actual.	
	Tls.	Tls.	Tls.	Tls.
HEALTH DEPARTMENT—continued.				
HOSPITALS—continued.				
PRIVATE NURSING SERVICE.				
<i>Pay and Sundry Expenses of Superintendent ...</i>	1,525		1,545.81	
<i>Pay of Chinese Staff ...</i>	450		452.65	
		1,975		1,998.46
<i>Fuel ...</i>		250		551.05
<i>Light ...</i>		150		122.67
<i>Water ...</i>		50		37.35
<i>Printing, Stationery, etc. ...</i>		50		11.89
<i>Insurance ...</i>		25		10.31
<i>Telephone Services ...</i>		65		101.17
<i>Messing ...</i>		1,500		1,430.74
<i>Washing ...</i>		200		209.75
<i>Maintenance and Repairs ...</i>		100		107.84
<i>Miscellaneous ...</i>		75		81.02
		4,440		4,662.25
<i>Less—Receipts from Co-operation Nurses :—</i>				
<i>Percentage on fees earned ...</i>	600		511.26	
<i>Board and Lodging charges ...</i>	2,710		1,260.90	
<i>Assessed Value of Board of Municipal Nurses ...</i>	500		435.00	
		3,810		2,207.16
Totals carried to Summary ...		630		2,455.09
DETAILS OF PAY AND SUNDRY EXPENSES OF NURSING STAFF.				
<i>Pay.</i>				
4 Matrons ...	5,600		5,786.07	
34 Nurses ...	26,400		24,458.83	
6 Probationer Nurses ...	1,140		1,791.17	
1 Housekeeper ...	780		900.00	
2 Attendants ...	2,040		2,160.00	
Custodians ...	1,080		1,080.00	
		37,040		36,176.07
<i>Sundry Expenses.</i>				
Superannuation ...	6,050		5,681.92	
Passages ...	6,500		1,522.16	
Uniform ...	1,000		936.64	
Languages Bonus ...	500		529.42	
Expenses of Engaging Staff ...	1,000		229.81	
		15,050		8,899.98
		52,090		45,076.05
<i>Allocated to the various hospitals as under :—</i>				
Victoria Nursing Home ...	32,310		27,456.99	
Isolation Hospital ...	13,310		11,933.18	
Isolation Hospital for Chinese ...	2,275		2,063.58	
Police Hospital (Sikhs) ...	1,380		1,321.04	
(Chinese) ...	1,380		1,324.12	
Sanatorium ...	935		977.14	
		52,090		45,076.05
		52,090		45,076.05

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
HEALTH DEPARTMENT—continued.									
CEMETERIES, CREMATORIUM AND PUBLIC MORTUARY.									
Pay.									
Foreigners.									
Part Service of Inspector	...	...	...	...	...	360		360.00	
" " Custodian of Isolation Hospital	...	...	...	...	...	240		240.00	
Chinese	...	...	...	...	...		600		600.00
							3,000		2,862.25
							3,600		3,462.25
Superannuation	...	...	...	...	...	60		60.00	
Grave Contractor, etc.	...	...	...	...	...	3,200		3,637.16	
Fuel	...	...	...	...	...	200		425.49	
Insurance	...	...	...	...	...	75		76.10	
Telephone Service	...	...	...	...	...	55		69.75	
Maintenance and Repairs	...	...	...	...	...	150		115.33	
Miscellaneous	...	...	...	...	...	150		216.25	
							3,890		4,600.08
							7,490		8,062.33
Less—Fees for Cremation	...	...	...	...	...	500		1,160.00	
" Grave making	...	...	...	...	...	3,750		4,028.75	
" Grave spaces	...	...	...	...	...	2,750		3,002.50	
" Reservations	...	...	...	...	...	300		640.00	
							7,300		8,831.25
Totals carried to Summary	...	...	...	...	...		190		C¥. 768.92
SWIMMING BATH.									
Pay.									
Foreigner.									
Part Service of Inspector	...	...	...	...	...	180		180.00	
Chinese	...	...	...	...	...	240		213.36	
							420		393.36
Superannuation	...	...	...	...	...	20		18.00	
Light	...	...	...	...	...	85		114.38	
Water	...	...	...	...	...	500		599.60	
Insurance	...	...	...	...	...	40		40.50	
Miscellaneous	...	...	...	...	...	75		30.28	
							720		802.76
							1,140		1,196.12
Less—Receipts from Bathers	...	...	...	...	...		800		692.48
Totals carried to Summary	...	...	...	...	...		340		503.64
EXTRA-DEPARTMENTAL.									
Medical Attendance.									
Municipal Surgeons	...	...	...	...	...	8,000		8,000.00	
Attendance on Families	...	...	...	...	...	2,400		2,878.88	
							10,400		10,878.88
Port Health Work—Contribution to maintenance of Customs									
Quarantine Station	...	...	...	...	...		6,000		6,000.00
Grant to General Hospital	...	...	...	...	...	15,000		17,603.87	
" Shantung Road Hospital	...	...	...	...	...	5,000		5,000.00	
" St. Luke's Hospital	...	...	...	...	...	5,000		5,000.00	
" Paulun Hospital	...	...	...	...	...	2,000		2,000.00	
							27,000		29,603.87
Totals carried to Summary	...	...	...	...	...		48,400		46,482.75
STOCK AND STORES.									
2 Steam Vacuum Tank Wagons	...	...	...	...	...		14,000		
Laboratory and Sanitary Apparatus	...	...	...	...	...		1,000		
Office Furniture	...	...	...	...	...		250		26.57
Hospital Fittings and Furniture	...	...	...	...	...		16,000		13,451.33
Totals carried to Summary	...	...	...	...	...		31,250		13,477.90

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT.									
GENERAL.									
<i>Pay.</i>									
Foreigners.									
Pay ...	...	...	...	...	...	185,560		182,841.55	
Language Bonus	...	...	...	...	...	720		924.00	
Chinese.									
Pay ...	...	...	...	...	...	23,065		25,473.20	
<i>Superannuation</i>	...	...	...	...	...		209,345		209,238.75
<i>Passages</i>	...	...	...	...	...		16,000		16,472.23
<i>Medical Aid</i>	...	...	...	...	...		2,500		2,184.04
<i>Locomotion</i>	...	...	...	...	...		300		364.66
<i>Fuel</i>	...	...	...	...	...		14,000		13,424.80
<i>Light</i>	...	...	...	...	...		900		1,240.84
<i>Water</i>	...	...	...	...	...		800		829.65
<i>Printing, Stationery, etc.</i>	...	...	...	...	...		180		62.60
<i>Insurance</i>	...	...	...	...	...		3,500		2,895.32
<i>Telephone Service</i>	...	...	...	...	...		150		151.63
<i>Drawing Materials and Plans</i>	...	...	...	...	...		1,600		1,624.34
<i>Surveying Instruments</i>	...	...	...	...	...		3,820		2,172.54
<i>Miscellaneous</i>	...	...	...	...	...		500		221.85
							450		497.60
							254,045		251,380.95
<i>Less—Building Permit Fees</i>	...	...	...	...	...	4,000		3,389.35	
<i>Private Works Supervision Fees</i>	...	...	...	...	...	16,000		16,662.61	
<i>Miscellaneous Permit Fees</i>	...	...	...	...	...	6,000		6,483.43	
<i>Sale of Plans and Tracings, etc.</i>	...	...	...	...	...	1,000		718.34	
<i>Charged to Industrial Undertakings, etc.</i>	...	...	...	...	...	19,000		18,820.40	
							46,000		46,074.13
Totals carried to Summary	...	...	...	...	...		208,045		205,306.82
BUILDINGS.									
<i>Upkeep and General Repairs to Buildings and Compounds:—</i>									
Volunteer Corps	...	...	...	...	...		2,325		3,161.94
Fire Brigade	...	...	...	...	...		3,325		3,375.26
Police Force:—									
Stations and Quarters	...	...	...	...	...	17,285		21,793.25	
Gnol	...	...	...	...	...	6,645		7,266.91	
Mixed Court	...	...	...	...	...	3,000		7,183.16	
							26,930		36,248.32
Health Department:—									
Health Office, Quarters, Markets, etc.	...	...	...	...	...	5,610		3,524.45	
Victoria Nursing Home	...	...	...	...	...	2,835		2,743.52	
Mental Ward	...	...	...	...	...	600		182.68	
Maternity Ward	...	...	...	...	...	510		849.64	
Nurses' Quarters	...	...	...	...	...	1,290		1,180.14	
Private Nursing Association	...	...	...	...	...	210		147.34	
Isolation Hospital	...	...	...	...	...	3,235		1,961.07	
Isolation Hospital for Chinese	...	...	...	...	...	1,730		1,782.26	
Police Hospital (Sikhs)	...	...	...	...	...	500		100.55	
Police Hospital (Chinese)	...	...	...	...	...	700		361.00	
Mokanshan Sanatorium	...	...	...	...	...	475		835.50	
Cemeteries	...	...	...	...	...	655		905.25	
Public Swimming Bath	...	...	...	...	...	485		300.19	
							18,835		14,873.59
Public Works Department:—									
Offices	...	...	...	...	...	520		590.24	
Town Hall	...	...	...	...	...	4,740		5,552.13	
Depôts, Godowns, Quarters, etc.	...	...	...	...	...	1,875		2,885.41	
							7,135		8,527.78
Parks and Open Spaces...	...	...	...	...	...		500		2,197.61
Educational Department:—									
Public School for Boys	...	...	...	...	...	4,285		3,711.68	
Public School for Girls	...	...	...	...	...	1,360		1,534.35	
Public School for Girls in Western District	...	...	...	...	...			2,678.64	
Thomas Hanbury School for Boys	...	...	...	...	...	790		527.20	
Girls	...	...	...	...	...	1,845		1,861.24	
Public School for Chinese	...	...	...	...	...	1,165		1,261.66	
Ellis Kadoorie Public School for Chinese	...	...	...	...	...	800		801.10	
Nieh Chih-kuei Public School for Chinese	...	...	...	...	...	655		351.34	
Polytechnic Public School for Chinese	...	...	...	...	...			19.24	
							10,900		12,246.45
Finance Department	...	...	...	...	...		260		103.32
Secretariat	...	...	...	...	...		300		321.08
Miscellaneous	...	...	...	...	...				16.65
Totals carried to Summary	...	...	...	...	...		70,510		81,069.00

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT—continued.									
CREEKS AND RIVER.									
<i>Repairs and Renewals to:—</i>									
Bridges	...	...	...	...	...	21,200		23,609.66	
Bundings	...	...	...	...	...	12,000		10,647.16	
Jetties and Pontoons	...	...	...	...	...	7,300		6,720.29	
							40,500		40,977.11
<i>Dredging and Cleaning Creeks and Ditches</i>	...	...	...	...	...		12,360		10,975.57
							52,860		51,952.68
<i>Less.—Receipts for hire of Dredger</i>	...	...	...	...	...		750		503.75
Totals carried to Summary	...	...	...	...	...		52,110		51,448.93
DRAINAGE.									
<i>Reconstructing Sewers in:—</i>									
Hoopeh Road from Hankow to Nanking Road	...	...	...	...	...	3,300		4,393.80	
East Seward Road, east of Kungping Road	...	...	...	...	...			4,072.71	
Jansen Road, South of Yangtzepoo Road	...	...	...	...	...			1,741.09	
							3,300		10,207.60
<i>Maintenance of Sewers</i>	...	...	...	...	...		8,070		13,234.65
Totals carried to Summary	...	...	...	...	...		11,370		23,442.25

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.	Estimated.		Actual.	
	Tls.	Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT—continued.				
ROADS.				
MAINTENANCE OF ROADS AND FOOTWAYS.				
<i>Pay.</i>				
Chinese.				
Metalling Labour	49,300		55,665.30	
Locomotion	650		638.52	
Insurance	680		657.77	
<i>Materials:—</i>				
Granite chips, broken stone, sand, cement, etc.	132,000		172,674.98	
Haulage	22,800		22,979.83	
Tools, renewals and repairs	12,500		11,698.58	
Boundary Stones	100		107.59	
Street Name Plates	900		1,034.95	
Working Expenses of Steam Rollers	10,500		13,599.75	
Chinese Government Land Tax	250		250.73	
Maintenance of Carts and Harness	1,250		2,145.68	
Raking and Repairing Mud Roads	13,200		18,978.09	
Roadside Railings	1,000		1,264.76	
Miscellaneous	500		1,301.23	
	245,580		302,997.76	
<i>Less—Refund from Tramway Co. for maintenance of macadam track surface</i>	10,000		16,500.00	
Totals carried to Summary	235,580		286,497.76	
CLEANSING AND WATERING ROADS.				
<i>Pay.</i>				
Foreigners	3,600		2,300.00	
Chinese	23,500		22,657.30	
		27,100		24,957.30
<i>Superannuation</i>		360		230.00
<i>Locomotion</i>		500		507.46
<i>Insurance</i>		600		602.98
<i>Medical Aid</i>		100		14.00
<i>Materials.</i>				
Water	15,500		14,828.56	
Gritting Wood Paving	700		439.25	
		16,200		15,267.81
Haulage		44,000		43,381.61
Tools, renewals and repairs		4,000		2,455.72
Working Expenses of Steam Water Wagon		900		902.53
Maintenance of Carts and Harness		6,800		7,299.18
Barging away Road Detritus		3,600		3,648.63
Miscellaneous		250		414.68
		104,410		99,661.90
<i>Less—Refund by Tramway Co. for cleaning rail grooves</i>		2,200		2,220.00
Totals carried to Summary		102,210		97,441.90

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT—continued.									
LIGHTING.									
<i>Electricity</i> ...	...	...	...	...	...		82,950		81,593.83
<i>Gas</i> ...	...	...	...	...	...		22,530		25,362.48
<i>Oil</i> ...	...	...	...	...	...		100		13.73
<i>Extensions.</i>									
Electricity and Gas	...	...	...	...	...		3,000		7,022.45
Totals carried to Summary ...							108,580		113,992.49
PARKS AND OPEN SPACES.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...	10,000		9,981.33	
Chinese	...	...	...	...	...	19,600		20,669.73	
							29,600		30,651.06
<i>Superannuation</i> ...	...	...	...	...	...		900		918.22
<i>Passages</i> ...	...	...	...	...	...		1,000		765.20
<i>Locomotion</i> ...	...	...	...	...	...		800		652.44
<i>Haulage</i> ...	...	...	...	...	...		720		1,211.31
<i>Fuel</i> ...	...	...	...	...	...		600		1,091.25
<i>Water</i> ...	...	...	...	...	...		550		660.80
<i>Lighting Gardens</i> ...	...	...	...	...	...		1,400		1,634.73
<i>Insurance</i> ...	...	...	...	...	...		230		229.50
<i>Telephone Service</i> ...	...	...	...	...	...		170		178.00
<i>Tools, renewals and repairs</i> ...	...	...	...	...	...		1,250		793.50
<i>Working Expenses of Motor Lawn Mowers</i> ...	...	...	...	...	...		400		489.83
<i>Chinese Government Land Tax</i> ...	...	...	...	...	...		500		762.58
<i>Painting and Repairs</i> ...	...	...	...	...	...		3,000		3,701.69
<i>Trees, Shrubs, Seeds and Turf</i> ...	...	...	...	...	...		2,500		1,200.79
<i>Mud, Sand, Gravel and Manure</i> ...	...	...	...	...	...		1,500		1,762.47
<i>Poles, Stakes, Flower Pots, etc.</i> ...	...	...	...	...	...		2,300		3,362.38
<i>Matcheds and Fences</i> ...	...	...	...	...	...		1,500		1,302.89
<i>Miscellaneous</i> ...	...	...	...	...	...		1,750		1,765.43
							50,670		53,134.07
<i>Less—Receipts for hire of Chairs, etc.</i> ...	...	...	...	...	...		450		492.37
Totals carried to Summary ...							50,220		52,641.70
STOCK AND STORES.									
<i>Tar Macadam Plant</i> ...	...	...	...	...	...		12,800		20,880.02
<i>Steel Sheet Piles</i> ...	...	...	...	...	...		14,000		
<i>Steam Roller</i> ...	...	...	...	...	...		4,500		3,731.79
<i>2 Motor Cars</i> ...	...	...	...	...	...		2,200		2,672.40
<i>Motor Wagon</i> ...	...	...	...	...	...		2,000		1,868.13
<i>Surveying Instruments</i> ...	...	...	...	...	...		500		295.40
<i>Garden Seats</i> ...	...	...	...	...	...		500		585.63
<i>Handcarts</i> ...	...	...	...	...	...		500		35.48
<i>Typewriting Machines</i> ...	...	...	...	...	...		600		491.16
<i>Furniture and Sundries</i> ...	...	...	...	...	...		1,000		1,168.68
<i>Road Materials, etc.</i> ...	...	...	...	...	...		300,000		263,508.85
Totals carried to Summary ...							338,600		295,187.54
<i>Credit.</i>									
Value of Stores issued ...	...	...	...	...	...		310,000		235,246.83
Totals carried to Summary ...							Cr. 310,000	Cr.	235,246.83

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.					Estimated.		Actual.	
					Tls.	Tls.	Tls.	Tls.
PUBLIC BAND.								
<i>Pay.</i>								
Europeans ...	...	...	...	...	24,170		24,303.52	
Manila men ...	...	...	...	...	16,050		16,730.23	
Private Services ...	...	...	...	...	3,550		4,578.59	
Chinese ...	...	...	...	...	300		305.07	
						44,070		45,917.41
<i>Superannuation</i> ...	...	...	...	...		3,820		3,799.18
<i>Passages</i> ...	...	...	...	...		620		543.62
<i>Expenses of Engaging Staff</i> ...	...	...	...	...				92.00
<i>Medical Aid</i> ...	...	...	...	...		100		37.36
<i>Locomotion</i> ...	...	...	...	...		400		405.61
<i>Uniform</i> ...	...	...	...	...		600		683.25
<i>Printing, Stationery, etc.</i> ...	...	...	...	...		400		216.45
<i>New Music</i> ...	...	...	...	...		450		
<i>Repairs to Instruments</i> ...	...	...	...	...		250		332.05
<i>Insurance</i> ...	...	...	...	...		20		13.28
<i>Telephone Service</i> ...	...	...	...	...		100		105.00
<i>Miscellaneous</i> ...	...	...	...	...		125		217.49
						50,935		52,362.70
<i>Less—Contribution from French Municipal Council</i> ...	...	...	...	...	1,500		1,500.00	
<i>Receipts for Private Services</i> ...	...	...	...	...	4,500		7,048.33	
						6,000		8,548.33
Totals carried to Summary ...	...	...	...	...		44,955		43,814.37
STOCK AND STORES.								
<i>Furniture and Sundries</i> ...	...	...	...	...				123.60
Totals carried to Summary ...	...	...	...	...				123.60
PUBLIC LIBRARY.								
<i>Pay.</i>								
Foreigner.								
Librarian ...	...	...	...	...	1,440		1,440.00	
Chinese ...	...	...	...	...	600		574.52	
						2,040		2,014.52
<i>Superannuation</i> ...	...	...	...	...		145		144.00
<i>Fuel</i> ...	...	...	...	...		75		86.15
<i>Light</i> ...	...	...	...	...		150		147.76
<i>Insurance</i> ...	...	...	...	...		30		27.00
<i>Telephone Service</i> ...	...	...	...	...		55		56.00
<i>Printing, Stationery, etc.</i> ...	...	...	...	...		130		181.05
<i>Books</i> ...	...	...	...	...		800		342.41
<i>Papers and Magazines</i> ...	...	...	...	...		450		328.35
<i>Maintenance and Repairs</i> ...	...	...	...	...		25		52.22
<i>Miscellaneous</i> ...	...	...	...	...		50		29.29
						3,950		3,408.76
<i>Less—Subscriptions, etc.</i> ...	...	...	...	...		1,150		1,396.96
Totals carried to Summary ...	...	...	...	...		2,800		2,011.80

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.							Estimated.		Actual.	
							Tls.	Tls.	Tls.	Tls.
EDUCATIONAL DEPARTMENT.										
PUBLIC SCHOOL FOR BOYS.										
<i>Pay.</i>										
Foreigners	...	...	...	...	...	...	29,440		31,400.47	
Chinese	...	...	...	...	...	...	1,520		1,583.22	
<i>Superannuation</i>	...	...	...	...	...	...		30,960		32,983.69
<i>Passages</i>	...	...	...	...	...	...		2,735		2,766.94
<i>Expenses of Engaging Staff</i>	...	...	...	...	...	...		800		267.71
<i>Medical Aid</i>	...	...	...	...	...	...		300		49.12
<i>Fuel</i>	...	...	...	...	...	...		100		41.95
<i>Light</i>	...	...	...	...	...	...		550		753.06
<i>Printing, Stationery, Exercise Books, etc.</i>	...	...	...	...	...	...		100		130.95
<i>Insurance</i>	...	...	...	...	...	...		800		1,130.26
<i>Telephone Service</i>	...	...	...	...	...	...		190		193.36
<i>Laboratory</i>	...	...	...	...	...	...		130		130.00
<i>Text Books</i>	...	...	...	...	...	...		300		387.59
<i>Form Prices</i>	...	...	...	...	...	...		1,000		1,065.17
<i>Maintenance and Repairs</i>	...	...	...	...	...	...		200		146.43
<i>Miscellaneous</i>	...	...	...	...	...	...		350		288.53
	...	...	...	...	...	...		400		566.87
								38,915		40,901.63
<i>Less—School Fees</i>	...	...	...	...	...	...	10,000		10,768.48	
<i>Sale of Text Books, etc.</i>	...	...	...	...	...	...	800		1,223.36	
								10,800		11,991.84
Totals carried to Summary	...	...	...	...	...	...		28,115		28,909.79
STOCK AND STORES.										
<i>Furniture and Sundries</i>	...	...	...	...	...	...		750		716.96
Totals carried to Summary	...	...	...	...	...	...		750		716.96
PUBLIC SCHOOL FOR GIRLS.										
<i>Pay.</i>										
Foreigners	...	...	...	...	...	...	27,690		31,926.55	
Chinese	...	...	...	...	...	...	1,025		1,084.62	
<i>Superannuation</i>	...	...	...	...	...	...		28,715		33,011.17
<i>Passages</i>	...	...	...	...	...	...		2,590		2,930.94
<i>Expenses of Engaging Staff</i>	...	...	...	...	...	...		1,300		540.91
<i>Medical Aid</i>	...	...	...	...	...	...		300		35.46
<i>Fuel</i>	...	...	...	...	...	...		100		30.00
<i>Light</i>	...	...	...	...	...	...		400		526.83
<i>Printing, Stationery, Exercise Books, etc.</i>	...	...	...	...	...	...		200		206.78
<i>Insurance</i>	...	...	...	...	...	...		500		778.19
<i>Telephone Service</i>	...	...	...	...	...	...		160		155.86
<i>Text Books</i>	...	...	...	...	...	...		140		162.03
<i>Kindergarten Materials, etc.</i>	...	...	...	...	...	...		500		474.59
<i>Form Prices</i>	...	...	...	...	...	...		150		115.60
<i>Maintenance and Repairs</i>	...	...	...	...	...	...		200		158.92
<i>Miscellaneous</i>	...	...	...	...	...	...		250		353.07
	...	...	...	...	...	...		400		513.97
								35,805		39,994.82
<i>Less—School Fees</i>	...	...	...	...	...	...	10,500		12,777.19	
<i>Sale of Text Books, etc.</i>	...	...	...	...	...	...	460		384.71	
								10,950		13,161.90
Totals carried to Summary	...	...	...	...	...	...		24,855		26,832.92
STOCK AND STORES.										
<i>Furniture and Sundries</i>	...	...	...	...	...	...		550		2,941.48
Totals carried to Summary	...	...	...	...	...	...		550		2,941.48

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
EDUCATIONAL DEPARTMENT—continued.									
THOMAS HANBURY SCHOOL FOR BOYS.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...	20,055		19,271.21	
Chinese	...	...	...	...	...	1,800		1,850.81	
<i>Superannuation</i>	...	...	...	...	...		21,855		21,122.02
<i>Passages</i>	...	...	...	...	...		1,420		1,284.00
<i>Expenses of Engaging Staff</i>	...	...	...	...	...		200		
<i>Medical Aid</i>	...	...	...	...	...		200		
<i>Fuel</i>	...	...	...	...	...		800		611.73
<i>Light</i>	...	...	...	...	...		1,750		2,424.29
<i>Water</i>	...	...	...	...	...		575		587.38
<i>Printing, Stationery, Exercise Books, etc.</i>	...	...	...	...	...		100		77.60
<i>Insurance</i>	...	...	...	...	...		950		692.75
<i>Telephone Service</i>	...	...	...	...	...		230		232.27
<i>Text Books</i>	...	...	...	...	...		110		108.00
<i>Form Prices</i>	...	...	...	...	...		400		347.25
<i>Messing</i>	...	...	...	...	...		50		
<i>Clothing</i>	...	...	...	...	...		5,000		4,150.73
<i>Washing</i>	...	...	...	...	...		1,500		1,529.49
<i>Maintenance and Repairs</i>	...	...	...	...	...		650		651.92
<i>Miscellaneous</i>	...	...	...	...	...		500		266.63
							550		681.62
<i>Less—School Fees</i>	...	...	...	...	...	12,000	36,840	8,882.92	34,767.70
<i>Sale of Text Books, Clothing, etc.</i>	...	...	...	...	...	1,200		1,063.46	
							13,200		9,946.38
Totals carried to Summary	...	...					23,640		24,821.32
STOCK AND STORES.									
<i>Furniture and Sundries</i>	...	...	...	...	...		750		594.70
Totals carried to Summary	...	...					750		594.70
THOMAS HANBURY SCHOOL FOR GIRLS.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...	13,555		14,905.00	
Chinese	...	...	...	...	...	1,400		1,480.62	
<i>Superannuation</i>	...	...	...	...	...		14,955		16,385.62
<i>Medical Aid</i>	...	...	...	...	...		1,875		1,980.58
<i>Fuel</i>	...	...	...	...	...		650		763.29
<i>Light</i>	...	...	...	...	...		1,300		1,252.68
<i>Water</i>	...	...	...	...	...		1,000		575.20
<i>Printing, Stationery, Exercise Books, etc.</i>	...	...	...	...	...		100		104.13
<i>Insurance</i>	...	...	...	...	...		450		394.80
<i>Telephone Service</i>	...	...	...	...	...		120		121.28
<i>Text Books</i>	...	...	...	...	...		40		36.00
<i>Kindergarten Materials, etc.</i>	...	...	...	...	...		250		98.10
<i>Form Prices</i>	...	...	...	...	...		120		25.82
<i>Messing</i>	...	...	...	...	...		80		31.18
<i>Clothing</i>	...	...	...	...	...		4,750		4,829.61
<i>Washing</i>	...	...	...	...	...		1,500		1,195.54
<i>Maintenance and Repairs</i>	...	...	...	...	...		775		777.11
<i>Miscellaneous</i>	...	...	...	...	...		1,000		569.94
							500		569.91
<i>Less—School Fees</i>	...	...	...	...	...	8,000	29,465	7,777.12	29,710.79
<i>Sale of Text Books, Clothing, etc.</i>	...	...	...	...	...	800		813.81	
							8,800		8,590.93
Totals carried to Summary	...	...					20,665		21,119.86
STOCK AND STORES.									
<i>Furniture and Sundries</i>	...	...	...	...	...		860		684.47
Totals carried to Summary	...	...					860		684.47

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
EDUCATIONAL DEPARTMENT—continued.									
PUBLIC SCHOOL FOR CHINESE.									
<i>Pay.</i>									
Foreigners	16,575	...	...	...	...	16,575		18,678.07	
Chinese	7,560	...	...	...	...	7,560		6,450.76	
							24,135		25,128.83
<i>Superannuation</i>							1,300		1,193.76
<i>Fuel</i>							100		167.23
<i>Light</i>							100		118.58
<i>Printing, Stationery, Exercise Books, etc.</i>							200		343.70
<i>Insurance</i>							125		124.08
<i>Telephone Service</i>							75		72.00
<i>Text Books</i>							100		120.69
<i>Form Prizes</i>							75		40.36
<i>Hongkong Local Examination Fees</i>							150		80.55
<i>Maintenance and Repairs</i>							150		104.67
<i>Miscellaneous</i>							300		393.26
							26,810		27,919.71
<i>Less—School Fees</i>						11,525		11,719.45	
<i>Sale of Text Books, etc.</i>								205.98	
							11,525		11,925.43
Totals carried to Summary							15,285		15,994.28
STOCK AND STORES.									
<i>Furniture and Sundries</i>							300		530.85
Totals carried to Summary							300		530.85
ELLIS KADOORIE PUBLIC SCHOOL FOR CHINESE.									
<i>Pay.</i>									
Foreigners	13,400	...	...	...	...	13,400		11,917.58	
Chinese	5,375	...	...	...	...	5,375		5,326.20	
							18,775		17,243.78
<i>Superannuation</i>							1,135		970.18
<i>Fuel</i>							150		162.34
<i>Light</i>							40		23.82
<i>Printing, Stationery, Exercise Books, etc.</i>							500		577.22
<i>Insurance</i>							120		121.50
<i>Telephone Service</i>							90		88.00
<i>Text Books</i>							275		261.86
<i>Maintenance and Repairs</i>							100		74.24
<i>Miscellaneous</i>							200		252.10
							21,385		19,775.04
<i>Less—School Fees</i>						11,525		11,442.13	
<i>Sale of Text Books, etc.</i>						850		743.63	
							12,375		12,185.76
Totals carried to Summary							9,010		7,589.28
STOCK AND STORES.									
<i>Furniture and Sundries</i>							400		493.98
Totals carried to Summary							400		493.98

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
EDUCATIONAL DEPARTMENT—continued.									
NIH CHIH KUEI PUBLIC SCHOOL FOR CHINESE.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...	10,385		10,128.00	
Chinese	...	...	...	...	...	3,190		3,153.28	
							13,575		13,281.28
<i>Superannuation</i>	...	...	...	...	...		1,040		1,006.76
<i>Passages</i>	...	...	...	...	...		300		376.01
<i>Expenses of Engaging Staff</i>	...	...	...	...	...		100		47.51
<i>Fuel</i>	...	...	...	...	...		250		287.73
<i>Light</i>	...	...	...	...	...		50		34.18
<i>Printing, Stationery, Exercise Books, etc.</i>	...	...	...	...	...		300		364.25
<i>Insurance</i>	...	...	...	...	...		125		126.00
<i>Telephone Service</i>	...	...	...	...	...		100		88.00
<i>Laboratory</i>	...	...	...	...	...		100		45.01
<i>Text Books</i>	...	...	...	...	...		250		144.99
<i>Maintenance and Repairs</i>	...	...	...	...	...		50		64.39
<i>Miscellaneous</i>	...	...	...	...	...		250		256.32
							16,490		16,122.43
<i>Less—School Fees</i>	...	...	...	...	...	3,500		2,867.82	
<i>Sale of Text Books, etc.</i>	...	...	...	...	...	200		260.65	
							3,700		3,128.47
Totals carried to Summary	...	...					12,790		12,993.96
STOCK AND STORES.									
<i>Furniture and Sundries</i>	...	...	...	...	...		550		461.72
Totals carried to Summary	...	...					550		461.72
POLYTECHNIC PUBLIC SCHOOL FOR CHINESE.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...			2,028.00	
Chinese	...	...	...	...	...	2,245		2,642.86	
							2,245		4,670.86
<i>Superannuation</i>	...	...	...	...	...				202.80
<i>Fuel</i>	...	...	...	...	...		50		34.48
<i>Light</i>	...	...	...	...	...		50		6.79
<i>Printing and Stationery</i>	...	...	...	...	...		50		221.45
<i>Insurance</i>	...	...	...	...	...		10		12.60
<i>Telephone Service</i>	...	...	...	...	...		60		63.58
<i>Text Books</i>	...	...	...	...	...		30		34.88
<i>Miscellaneous</i>	...	...	...	...	...		50		302.61
							2,545		5,550.03
<i>Less—School Fees</i>	...	...	...	...	...		1,750		2,787.84
Totals carried to Summary	...	...					795		2,762.21
STOCK AND STORES.									
<i>Furniture and Sundries</i>	...	...	...	...	...		1,600		1,766.85
Totals carried to Summary	...	...					1,600		1,766.85
GRANTS IN AID.									
St. Joseph's Institute	...	...	...	...	...		3,000		3,000.00
St. Xavier's College...	...	...	...	...	...		2,500		2,500.00
Shanghai Jewish School	...	...	...	...	...		1,000		1,000.00
Institution of the Holy Family	...	...	...	...	...		1,500		1,500.00
Totals carried to Summary	...	...					8,000		8,000.00

FINANCIAL STATEMENT 1917—continued

ORDINARY EXPENDITURE.							Estimated.		Actual.	
							Tls.	Tls.	Tls.	Tls.
FINANCE DEPARTMENT.										
TREASURER'S OFFICE.										
<i>Pay.</i>										
Foreigners	...	...	...	...	...	...	43,890		44,930.22	
Chinese	...	...	...	...	...	...	13,760		13,799.17	
								57,650		58,729.39
<i>Superannuation</i>	...	...	...	...	...	...		4,000		4,253.02
<i>Fuel</i>	...	...	...	...	...	...		250		200.00
<i>Light</i>	...	...	...	...	...	...		400		363.50
<i>Insurance</i>	...	...	...	...	...	...		25		22.94
<i>Printing, Stationery, etc.</i>	...	...	...	...	...	...		3,500		2,629.83
<i>Telephone Service</i>	...	...	...	...	...	...		385		418.43
<i>Miscellaneous</i>	...	...	...	...	...	...		850		527.72
								66,560		67,144.83
<i>Less—Charged to Industrial Undertakings</i>	...	...						4,200		4,200.00
Totals carried to Summary	...	...						62,360		62,944.83
COMPRADORE'S OFFICE.										
<i>Pay.</i>										
Compradore, Shroffs, etc.	...	...	...	...	...	...		7,950		8,024.86
Miscellaneous	...	...	...	...	...	...		750		857.32
Totals carried to Summary	...	...						8,700		8,882.18
STOCK AND STORES.										
Furniture and Sundries	...	...	...	...	...	...		750		829.82
Totals carried to Summary	...	...						750		829.82

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
SECRETARIAT.									
SECRETARY'S OFFICE.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...	26,125		36,953.89	
Chinese	...	...	...	...	...	6,970		7,090.34	
							43,095		44,044.23
Superannuation	...	...	...	...	...		3,250		3,131.54
Fuel	...	...	...	...	...		300		408.03
Light	...	...	...	...	...		350		434.16
Insurance	...	...	...	...	...		20		16.88
Telephone Service	...	...	...	...	...		950		872.00
Printing, Stationery, Advertising, etc.	...	...	...	...	...	3,000		3,107.50	
Printing Annual Report and Budget	...	...	...	...	...	4,500		4,339.26	
Printing Municipal Gazette	...	...	...	...	...	4,500		4,537.75	
							12,000		12,584.51
Miscellaneous	...	...	...	...	...		1,000		878.32
							60,965		62,369.67
Less—Charged to Industrial Undertakings	...	...					2,400		2,400.00
Totals carried to Summary	...	...					58,565		59,969.67
TAX OFFICE.									
<i>Pay.</i>									
Foreigners	...	...	...	...	...	61,850		61,675.07	
Language Bonus	...	...	...	...	...	1,150		1,080.00	
Chinese	...	...	...	...	...	22,730		23,428.07	
							85,730		86,183.14
Superannuation	...	...	...	...	...		6,000		6,131.88
Passages	...	...	...	...	...				1,335.79
Uniform	...	...	...	...	...		1,680		1,822.14
Medical Aid	...	...	...	...	...		200		210.72
Locomotion	...	...	...	...	...		5,400		5,623.20
Fuel	...	...	...	...	...		175		214.05
Light	...	...	...	...	...		600		567.77
Printing, Stationery, etc.	...	...	...	...	...		4,000		3,948.62
Telephone Service	...	...	...	...	...		150		156.98
Insurance	...	...	...	...	...		20		7.83
House Number and Licence Plates	...	...	...	...	...		6,600		5,433.56
Miscellaneous	...	...	...	...	...		400		343.65
							110,955		111,979.38
Less—Receipts from sale of Licence Plates, etc.	...						6,000		5,996.72
Totals carried to Summary	...	...					104,955		105,982.66
STOCK AND STORES.									
Furniture and Sundries	...	...	...	...	...		1,000		436.19
Totals carried to Summary	...	...					1,000		436.19

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.	Estimated.		Actual.	
	Tls.	Tls.	Tls.	Tls.
GENERAL CHARGES.				
Legal Retainer and Opinions		1,000		1,144.00
Audit Fee		1,900		1,900.00
Sempahore Service... ..		6,750		8,427.24
Pew Rents and Relief of Poor		500		244.00
Attached Employé		3,630		3,647.50
Direction of Chinese Studies		3,000		3,122.25
Reporter's Retainer		600		675.00
Pension of Accountant resigned (£500)		3,100		2,636.17
Annuity to the widow of the late G. M. Hart		200		200.00
London Agents—allowance for additional office accommodation (£100)... ..		625		412.55
Work Shelters—rent and sundry expenses		2,450		1,688.14
Land Assessment, fees and expenses		11,300		11,468.00
Special Electricity Committee, sundry expenses				191.00
Building Rules Commission, sundry expenses				813.75
Special Traffic and Licensing Bye-laws Committee, sundry expenses				600.00
Contribution to the Chin Woo Athletic Association				642.00
Gratuity to the Estate of the late J. B. A. Mackinnon				7,590.00
Monument to the late J. B. A. Mackinnon				266.75
Shanghai Waterworks Arbitration Award.				
Two thirds cost of Arbitrators' Fee			3,100.00	
Legal Expenses			2,983.75	
				6,083.75
Grants in Aid:—				
Municipal Service Club	720		720.00	
Door of Hope	2,500		2,500.00	
Door of Hope—(Special Grant)	1,500		1,500.00	
Door of Hope—(Stray Children's Home)	6,500		8,429.74	
Refuge for Chinese Slave Children	2,000		2,000.00	
Shanghai Museum	1,000		1,000.00	
King's Daughters' Society, Charity Organisation	3,600		3,600.00	
Foreign Women's Home... ..	3,000		3,000.00	
Sikh Boy Scouts			173.38	
		20,820		22,923.12
Rent of Municipal Properties and Leased Premises.				
Volunteer Corps		1,240		1,629.69
Fire Brigade		300		650.00
Police Force.				
Stations	3,370		3,492.00	
Quarters	20,350		20,946.04	
Reformatory	3,600		3,600.00	
		27,320		28,038.04
Health Department.				
Quarters	1,020		1,083.14	
Sanatorium	300		400.00	
Latrines, etc.	15		11.80	
		1,335		1,496.94
Public Works Department.				
Temporary Offices	3,600		4,100.00	
Public Recreation Ground	1,200		1,200.00	
Depôts	1,220		1,217.99	
Road Widening	2,685		2,627.04	
		8,705		9,145.03
Parks and Open Spaces.				
The Point				30.00
Educational Department.				
Public School for Girls		1,500		1,839.00
Finance Department		5,800		5,880.00
Council Room and Secretariat		5,820		5,990.00
Shanghai Waterworks Co., Ltd., 325 Shares		68,550		68,542.57
Brokerage on Loan				2,911.00
London Sterling Current Account, difference in exchange				2,074.32
Totals carried to Summary		176,445		202,780.81

FINANCIAL STATEMENT 1917—continued.

ORDINARY EXPENDITURE.						Estimated.		Actual.	
						Tls.	Tls.	Tls.	Tls.
INTEREST.									
Municipal Loans	...	...	...	...	...	530,520		516,446.05	
Less.									
Charged to Electricity Department	...	...	...	...	...	319,260	211,260	298,818.00	217,628.05
Superannuation Fund	...	...	...	...	...			73,940.43	
Police Deferred Pay	...	...	...	...	...			2,072.00	
Municipal Savings Bank	...	...	...	...	...		110,300	3,718.91	
Deposit Accounts	...	...	...	...	...			1,233.72	
Hongkong and Shanghai Bank, Current Account	...	...	...	...	...			17,445.88	
Electricity Department, Temporary Loan	...	...	...	...	...			15,813.73	
								114,224.67	
							321,560		331,852.72
Less.									
Trust Funds Investments	...	...	...	...	...			89,808.97	
Industrial Accounts	...	...	...	...	...		104,570	13,235.76	
Miscellaneous	...	...	...	...	...			329.38	
								103,374.11	
Totals carried to Summary	...	...	...	...	...		216,990		228,478.61
REDEMPTION OF DEBENTURES.									
Debentures of the Loan 1897 redeemed	...	...	...	...	...		203,700		268,400.00
Totals carried to Summary	...	...	...	...	...		203,700		268,400.00

FINANCIAL STATEMENT 1917—continued.

EXTRAORDINARY INCOME.	Estimated.		Actual.	
	Tls.	Tls.	Tls.	Tls.
Surplus on Ordinary Budget		225,915		75,687.32
Debentures—				
7 per cent	1,600,000		1,086,700.00	
Less—Loan to Electricity Department	600,000		86,700.00	
		1,000,000		1,000,000.00
Miscellaneous—				
Trust Funds—amounts written off during the year.				
Superannuation Fund			18,421.72	
Deferred Pay			318.40	
		20,000		
Sundries			18,740.12	
			5,307.85	
				24,047.97
Totals carried to Summary		1,245,915		1,099,735.29

FINANCIAL STATEMENT 1917—continued.

EXTRAORDINARY EXPENDITURE.	Estimated.		Actual.	
	Tls.	Tls.	Tls.	Tls.
<i>Deficit from 1916</i>		472,684		472,684.01
<i>Bridges.</i>				
Yangtzepoo Creek at Kwangchow Road, balance of cost ...	1,000		1,688.16	
Markham Road, reconstruction of main Span, balance of cost	5,500	6,500	5,503.28	7,191.44
<i>Bundings.</i>				
<i>Soochow Creek.</i>				
Concrete Bunding, West Soochow Road, fronting Cad. Lots 4842 and 4843 W.	28,300			
Concrete Bunding between North Shanse and North Honan Roads, portion of cost	13,600		11,727.50	
Concrete Bunding, Astor Road	1,600		1,984.23	
Concrete Bunding, West Soochow Road fronting Tatung Road and Cad. Lots 806 and 807 W.	8,970		9,021.44	
Concrete Bunding, West Soochow Road at Mokanshan Road...	1,470		1,237.18	
Concrete Bunding fronting Cad. Lot 4835 W.	1,500		1,847.30	
<i>Yangtzepoo Creek.</i>				
Concrete Bunding, Lay Road, South of Yangtzepoo Road ...	29,150		18,219.73	
	84,590		44,037.38	
<i>Less—Contributions from frontagers</i>	34,920	49,670	5,820.99	38,216.39
<i>Drainage.</i>				
Constructing the following new sewers :—				
Ferry Road between Sinza and Connaught Roads	12,100		11,466.33	
Connaught Road between Ferry and Gordon Roads... ..	4,350		3,812.01	
Gordon Road between Avenue and Sinza Roads			11,375.11	
Tongshan Road, between Kwenming and Dent Roads ...	1,000		591.62	
Miscellaneous		17,450		27,245.07
<i>Landing Stages.</i>				
<i>Soochow Creek.</i>				
Wooden Jetty opposite Mokanshan Road	300		303.01	
Concrete Jetty fronting Cad. Lot 4835 W.	550		783.62	
Landing Steps at Astor Road	330			
Replacement of 10 timber jetties in concrete	3,000		3,198.88	
<i>Whangpoo River.</i>				
Landing Steps at Wetmore Road	300		315.54	
	4,500		4,601.05	
<i>Less—Contributions from frontagers</i>	700	3,800	828.01	3,773.04
<i>Carried forward</i>		550,104		549,109.95

FINANCIAL STATEMENT 1917—continued.

SUMMARY.

Totals from preceding pages.	Estimated.			Actual.		
	Expenditure.		Income.	Expenditure.		Income.
	Tls.	Tls.	Tls.	Tls.	Tls.	Tls.
Ordinary Income:—			3,462,350			3,455,127.75
Ordinary Expenditure:—						
Volunteer Corps		57,360			49,993.66	
Fire Brigade		67,770			74,227.68	
Police Force		951,140			943,359.51	
Health Department.						
Office	63,630			34,364.43		
Hospitals.						
Victoria Nursing Home ...	43,555			32,300.88		
Isolation Hospital ...	31,310			25,205.89		
Police Hospital—Sikhs ...	6,105			4,905.72		
Police Hospital—Sikhs ...	445			620.65		
Sanatorium	2,435			3,144.39		
Private Nursing Service ...	4,565			5,875.78		
Cemeteries, etc.	630			2,455.09		
Swimming Bath	190			Cr. 768.92		
Extra-Departmental	340			503.64		
	43,400			46,482.75		
Public Works Department.		196,605			155,090.30	
General	208,045			205,306.82		
Buildings	70,510			81,069.00		
Creeks and River	52,110			51,448.93		
Drainage	11,370			23,442.25		
Roads.						
Maintenance	235,580			286,497.76		
Cleansing	102,210			97,441.90		
Lighting	108,580			113,992.49		
Parks and Open Spaces ...	50,220			52,641.70		
		838,625			911,840.85	
Public Band		44,955			43,814.37	
Public Library		2,800			2,011.80	
Educational Department.						
Public School for Boys ...	28,115			28,909.79		
Public School for Girls ...	24,855			26,832.92		
Thomas Hanbury School for Boys	23,640			24,821.32		
Thomas Hanbury School for Girls	20,665			21,119.86		
Public School for Chinese ...	15,285			15,994.28		
Ellis Kadoorie Public School for Chinese ...	9,010			7,589.28		
Nieh Chih Kuei	12,790			12,993.96		
Polytechnic	795			2,762.21		
Grants-in-aid	8,000			8,000.00		
		143,155			149,023.62	
Finance Department.						
Treasurer's Office	62,360			62,944.83		
Compradore's Office	8,700			8,882.18		
		71,060			71,827.01	
Secretariat.						
Secretary's Office	58,565			59,969.67		
Tax Office	104,955			105,982.66		
		163,520			165,952.33	
General Charges		176,445			202,780.81	
Interest		215,990			228,478.61	
Redemption of Debentures ...		203,700			268,400.00	
Stock and Stores:—						
Volunteer Corps	20,150			17,449.88		
Fire Brigade	13,000			13,222.83		
Police Force	84,800			79,848.66		
Health Department	31,250			13,477.90		
Public Works Department ...	338,600			295,187.54		
Public Band				123.60		
Public School for Boys ...	750			716.96		
Public School for Girls ...	550			2,941.48		
Thomas Hanbury School for Boys	750			594.70		
Thomas Hanbury School for Girls	860			684.47		
Public School for Chinese ...	300			530.85		
Ellis Kadoorie Public School for Chinese ...	400			493.98		
Nieh Chih Kuei	550			461.72		
Polytechnic	1,600			1,766.85		
Finance Department	750			829.82		
Secretariat	1,000			436.19		
Less—Stores issued, etc.	495,310			428,767.43		
Volunteer Corps	17,000			12,712.75		
Police Force	66,000			68,167.97		
Public Works Department 310,000				235,246.83		
	393,000					
		102,310		316,127.55	112,639.88	
Surplus, carried to Extraordinary Income		3,236,435	3,462,350		3,379,440.43	3,455,127.75
		225,915			75,687.32	
		3,462,350	3,462,350		3,455,127.75	3,455,127.75
Extraordinary Income			1,245,915			1,099,735.29
Extraordinary Expenditure		1,335,424			1,588,604.96	
Deficit, carried forward to 1918			89,509			488,869.67
		1,335,424	1,335,424		1,588,604.96	1,588,604.96

BALANCE SHEET.

LIABILITIES.						Tls.	Tls.	Tls.
7c SILVER LOANS :—								
Loan of 1900 at 5½ per cent	...	...	...	...	...		31,700.00	
Do. 1901 " 6 "	...	...	...	...	...		45,100.00	
Do. 1902 " 6 "	...	...	...	...	...		139,560.00	
Do. 1903 " 6 "	...	...	...	...	...		425,400.00	
Do. 1904 " 6 "	...	...	...	...	...		165,000.00	
Do. 1905 " 6 "	...	...	...	...	...		285,900.00	
Do. 1907 " 6 "	...	...	...	...	...		500,000.00	
Do. 1908 " 6 "	...	...	...	...	...		650,000.00	
Do. 1909 " 6 "	...	...	...	...	...		300,000.00	
Do. 1910 " 6 "	...	...	...	...	...		313,800.00	
Do. 1911 " 6 "	...	...	...	...	...		350,000.00	
Do. 1912 " 6 "	...	...	...	...	...		340,000.00	
Do. 1913 " 6 "	...	...	...	...	...		756,300.00	
Do. 1913 " 5½ "	...	...	...	...	...		500,000.00	
Do. 1914 " 5½ "	...	...	...	...	...		900,000.00	
Do. 1915 " 5½ "	...	...	...	...	...		800,000.00	
Do. 1916 " 6 "	...	...	...	...	...		1,400,000.00	
Do. 1917 " 7 "	...	...	...	...	...		1,086,700.00	8,987,400.00
" STERLING LOAN of 1905 at 4 per cent : Authorised £50,000, Issued £20,000 at Ex. 4/3½								92,978.21
" INDUSTRIAL UNDERTAKINGS—Adjustment Account								9,887.84
" TRUST FUNDS :—								
Superannuation Fund	...	...	...	...	...		1,246,947.32	
Municipal Savings Bank	...	...	...	...	...		76,383.53	
Sikh Police Deferred Pay	...	...	...	...	...		39,970.52	
Japanese Police Deferred Pay	...	...	...	...	...		1,551.45	
Miscellaneous	...	...	...	...	...		5,221.48	
Deposits :—								
Foreign and Chinese Liquor Sellers	...	...	...	...	...	6,170.00		
Firearms Dealers	...	...	...	...	...	750.00		
Livery Stables	...	...	...	...	...	150.00		
Billiard and Bowling Saloons	...	...	...	...	...	21.78		
Foreign and Chinese Theatres	...	...	...	...	...	3,444.38		
Public Rishas	...	...	...	...	...	1,128.55		
Motor Car	...	...	...	...	...	1,000.00		
Pawn Shop...	...	...	...	...	...	20,410.00		
Volunteer Equipment	...	...	...	...	...	1,103.52		
Ordure Contractor	...	...	...	...	...	21,489.60		
Sundry Contractors	...	...	...	...	...	15,064.80		
Probationary Nurses	...	...	...	...	...	865.80		
Mixed Court	...	...	...	...	...	42,480.71		
							114,079.14	1,484,153.44
" SUNDRY CREDITORS								163,707.29
" OVERDRAFTS—								
HONGKONG & SHANGHAI BANKING CORPORATION	...	...	...	...	...		824,504.96	
COMPRADORE	...	...	...	...	...		31,079.27	855,584.23
" ELECTRICITY DEPARTMENT, SUNDRY LIABILITIES								2,674,375.51
" GENERAL BALANCE								7,842,676.32
								22,110,762.84

We have examined the foregoing Accounts with the books and vouchers and certify the same to be correct in accordance therewith.

G. H. & N. THOMSON, Chartered Accountants,
Auditors.

DECEMBER 31, 1917.

ASSETS.										Tls.	Tls.	Tls.
By LAND	...	...	...	...	...	...	...	...	...			5,730,663.56
" BUILDINGS—	...	...	...	...	...	...	...	...	...	3,171,367.09		
<i>Less—Depreciation</i>	...	...	...	...	...	...	...	...	...	39,297.11		3,132,069.98
" STOCK AND STORES—	...	...	...	...	...	...	...	...	...	785,947.10		
<i>Less—Depreciation</i>	...	...	...	...	...	...	...	...	...	58,114.39		727,832.71
" SHANGHAI WATERWORKS CO., LD.—												
2,470 Shares £20 each at Tls. 200	...	...	...	...	...	...	...	...	...			494,000.00
" SHANGHAI MUTUAL TELEPHONE CO., LD.—												
1,333 Shares Tls. 50 each at Tls. 78	...	...	...	...	...	...	...	...	...			103,974.00
" INDUSTRIAL UNDERTAKINGS—												
Pingchiao Quarry	...	...	...	...	...	...	...	...	...	41,123.12		
Convict Labour	...	...	...	...	...	...	...	...	...	27,037.75		
Concreteware Manufactory	...	...	...	...	...	...	...	...	...	76,307.53		
Tungchow Road Workshop	...	...	...	...	...	...	...	...	...	47,498.16		191,966.56
" TRUST FUNDS INVESTMENTS—												
<i>Silver Securities—</i>												
<i>Debentures at par</i>												
Shanghai Municipal Council	...	...	...	...	...	...	...	...	...	371,800.00		
French Municipal Council	...	...	...	...	...	...	...	...	...	104,000.00		
Shanghai Waterworks Co., Ld.	...	...	...	...	...	...	...	...	...	61,300.00		
Shanghai Land Investment Co., Ld.	...	...	...	...	...	...	...	...	...	477,700.00		
Shanghai Gas Co., Ld.	...	...	...	...	...	...	...	...	...	29,000.00		
Anglo-French Land Investment Co., Ld.	...	...	...	...	...	...	...	...	...	100,000.00		
Shanghai Mutual Telephone Co., Ld.	...	...	...	...	...	...	...	...	...	6,600.00		
Shanghai Race Club	...	...	...	...	...	...	...	...	...	143,200.00		
Country Club	...	...	...	...	...	...	...	...	...	500.00		
<i>Gold Securities at cost—</i>												
British War Loan 5 per cent. £31,500	...	...	...	...	...	...	...	...	...	231,656.04		
French War Loan 5 per cent. Frs. 320,000.00	...	...	...	...	...	...	...	...	...	78,426.97		
Russian War Loan 5½ per cent. Rbls. 150,000.00	...	...	...	...	...	...	...	...	...	77,445.65		
												1,681,628.66
" SUNDRY DEBTORS AND PAYMENTS IN ADVANCE	...	...	...	...	...	...	...	...	...			335,540.81
" HONGKONG AND SHANGHAI BANKING CORPORATION												
Sterling Current Account £1,568.17.11 at Ex. 4/3½	...	...	...	...	...	...	...	...	...			7,293.66
" ELECTRICITY DEPARTMENT, SUNDRY ASSETS	...	...	...	...	...	...	...	...	...			9,705,792.90
											</	

COMPARATIVE STATEMENTS.

A.

B.

ORDINARY EXPENDITURE.	1913 Tls.	1914 Tls.	1915 Tls.	1916 Tls.	1917 Tls.	1913 %	1914 %	1915 %	1916 %	1917 %
Volunteer Corps	42,490.92	46,466.11	47,342.22	47,186.24	49,993.66					
Stock and Stores	3,419.02	9,235.04	9,779.59	Cr. 823.36	4,737.13					
	45,939.94	55,701.15	57,121.81	46,362.88	54,730.79	1.61	1.90	1.87	1.39	1.58
Fire Brigade	63,021.56	59,047.24	66,771.18	72,655.01	74,227.68					
Stock and Stores	13,483.51	10,809.16	10,542.87	45,607.89	13,222.83					
	76,505.07	69,856.40	77,314.05	118,262.90	87,450.51	2.68	2.38	2.53	3.55	2.53
Police Force	888,858.53	891,927.52	849,370.70	882,447.73	943,359.51					
Stock and Stores	11,724.01	28,863.92	31,335.54	Cr. 191.91	11,680.69					
	900,582.54	920,791.44	880,706.24	882,255.82	955,040.20	31.51	31.38	28.87	26.47	27.64
Health Department	170,646.54	180,699.85	203,267.55	154,137.62	155,090.30					
Stock and Stores	8,310.53	7,284.36	4,740.95	4,031.10	13,477.90					
	178,957.07	187,984.21	208,008.50	158,168.72	168,568.20	6.26	6.41	6.82	4.75	4.88
Public Works Department	613,433.44	674,094.26	708,179.83	794,989.87	911,840.85					
Stock and Stores	Cr. 6,820.02	31,039.00	38,318.08	5,967.05	59,940.71					
	606,613.42	705,133.26	746,497.91	800,956.92	971,781.56	21.23	24.03	24.46	24.03	28.13
Public Band	56,771.25	51,470.18	50,893.11	49,908.61	43,814.37					
Stock and Stores	86.44	160.80	18.75	54.15	123.60					
	56,857.69	51,630.98	50,911.86	49,962.76	43,937.97	1.99	1.76	1.66	1.50	1.27
Public Library	1,678.23	2,326.39	2,440.46	2,313.10	2,011.80					
Stock and Stores	113.40	—	36.60	—	—					
	1,791.63	2,326.39	2,477.06	2,313.10	2,011.80	.06	.08	.08	.07	.06
Educational Department	66,833.55	87,300.24	110,464.18	123,047.19	149,023.62					
Stock and Stores	2,480.53	6,176.18	4,493.13	19,985.73	8,191.01					
	69,314.08	93,476.42	114,957.31	143,032.92	157,214.63	2.43	3.18	3.77	4.29	4.55
Finance Department	63,130.07	71,500.42	69,350.51	71,859.64	71,827.01					
Stock and Stores	712.53	984.68	522.40	251.96	829.82					
	63,842.60	72,485.10	69,872.91	72,111.60	72,656.83	2.23	2.47	2.30	2.16	2.10
Secretariat	145,060.50	155,686.50	164,040.83	165,008.67	165,952.33					
Stock and Stores	415.12	764.77	523.70	822.84	436.19					
	145,475.62	156,451.27	164,564.53	165,831.51	166,388.52	5.09	5.33	5.40	4.98	4.82
General Charges	80,842.25	108,239.81	106,388.36	114,463.90	200,706.49	2.82	3.69	3.50	3.43	5.81
Interest	115,360.68	124,932.50	147,231.66	169,649.48	228,478.61	4.03	4.26	4.82	5.09	6.61
Redemption of Debentures	142,200.00	151,210.00	155,700.00	202,200.00	268,400.00	4.98	5.15	5.10	6.06	7.77
Total Ordinary Expenditure	2,484,282.59	2,700,218.93	2,781,752.20	2,925,572.51	3,377,366.11	86.92	92.02	91.18	87.77	97.75
Surplus	373,723.42	234,162.65	269,264.97	407,578.25	77,761.64	13.08	7.98	8.82	12.23	2.25
Total Ordinary Income	2,858,006.01	2,934,381.58	3,051,017.17	3,333,150.76	3,455,127.75	100.00	100.00	100.00	100.00	100.00

**CONVICT LABOUR.
Working Account.**

<i>Dr.</i>	Working Account.				<i>Cr.</i>
	Tls.	Tls.		Tls.	Tls.
<i>To</i> Stock at December 31, 1916		5,524.64	<i>By</i> Sales		30,055.41
" Cost of Materials	21,013.77		" Stock at December 31, 1917		10,933.13
" Supervision Charges	502.77				
" Pay and Expenses of Warders	1,800.00				
" Secretarial and Accountancy Charges	950.00				
" Interest	1,906.24				
" Depreciation	612.64				
" Miscellaneous	483.31				
		27,262.73			
" Balance (Profit) transferred to Adjustment A/c		8,201.17			
TAELS...		40,988.54	TAELS...		40,988.54

Dr.	Balance Sheet.										Cr.
			Tls.	Tls.					Tls.	Tls.	
To Capital Account	...	...	...	...	27,037.75	By Land	...	...	...	9,063.00	
" Sundry Creditors	...	...	...	...	1,314.64	" Buildings—					
" Adjustment Account	...	...	...	...	8,834.34	Balance at December 31, 1916	...	...	11,243.77		
						Less—Depreciation	...	...	256.26		
										10,987.51	
						" Plant—					
						Balance at December 31, 1916	...	...	3,021.84		
						Less—Depreciation	...	...	356.38		
									2,665.46		
						Additions	...	...	2,088.50		
										4,753.96	
						" Stock at December 31, 1917	...	...		10,933.13	
						" Sundry Debtors	...	...		766.68	
						" Cash in General Funds	...	...		682.45	
TAELS...				37,186.73				TAELS ...		37,186.73	

TUNGCHOW ROAD WORKSHOP.

<i>Dr.</i>	Working Account.				<i>Cr.</i>
	Tls.	Tls.		Tls.	Tls.
To Stock at December 31, 1916		7,311.16	By Work Executed		60,208.20
" Materials	31,612.17		" Stock at December 31, 1917		6,868.88
" Supervision Charges	3,960.00				
" Secretarial and Accountancy Charges	950.00				
" Pay of Foremen and Chinese Staff	13,529.59				
" Coal, Power, etc.	2,688.53				
" Interest	2,905.00				
" Depreciation	1,051.12				
" Miscellaneous	922.18				
		57,618.59			
" Balance (Profit) transferred to Adjustment Account		2,147.33			
	TAELS..	67,077.08		TAELS ...	67,077.08

<i>Dr.</i>	Balance Sheet.				<i>Cr.</i>
	Tls.	Tls.		Tls.	Tls.
<i>To</i> Capital Account		47,498.16	<i>By</i> Land		18,443.00
" Sundry Creditors		4,453.05	" Buildings—		
" Adjustment Account		566.28	Balance at December 31, 1916	23,082.56	
			<i>Less</i> —Depreciation	496.37	
				22,586.19	
			Additions	207.51	
					22,793.70
			" Plant—		
			Balance at December 31, 1916	4,366.05	
			<i>Less</i> —Depreciation	554.75	
				3,811.30	
			Additions	52.54	
					3,863.84
			" Stock at December 31, 1917		6,868.88
			" Cash in General Funds		548.07
TAELS ...		52,517.49	TAELS ...		52,517.49

PINGCHIAO QUARRY.

Working Account.

Dr.					Cr.
		Tls.	Tls.		Tls.
To Stock at December 31, 1916	...	...	2,317.99	By Stone, etc., sold and supplied, Tons 75,390.12	161,615.41
" Supervision Charges	...	4,416.89		" Stock at Quarry on December 31, 1917	2,484.10
" Secretarial and Accountancy Charges	...	950.00			
" Quarrying	...	17,795.31			
" Transport	...	6,716.52			
" Stone-breakers	...	22,131.97			
Add—Spare parts taken into use at cost	...	4,571.64			
		26,703.61			
" Breaking chips by hand	...	493.01			
" Steam Launch—					
Working Expenses	...	1,586.21			
" Motor Houseboat—					
Working Expenses	...	2,189.78			
		3,775.99			
" Repairs to Buildings	...	1,342.14			
" Lease	...	1,800.00			
" Interest	...	2,498.12			
" Depreciation	...	4,575.08			
" Miscellaneous	...	6,836.70			
		136,903.37			
" Balance (Profit) transferred to Adjustment Account	...	24,878.15			
	TAEIS	164,099.51		TAEIS	164,099.51

Dr.

Balance Sheet.

Cr.

Dr.					Cr.
		Tls.	Tls.		Tls.
To Capital Account	...	41,123.12		By Buildings: Balance at December 31, 1916	8,245.41
" Sundry Creditors	...	2,629.52		Less—Depreciation	408.23
" Adjustment Account	...	13,390.78			7,837.18
				Additions	6,158.75
					13,995.93
				" Plant and Machinery: Balance at December 31, 1916	16,247.74
				Less—Depreciation	Tls. 3,430.39
				Spare parts taken into use	4,571.64
					8,002.03
				Additions	8,245.71
					2,565.07
				" Steam-launch "Swift"	10,810.78
				" Motor Houseboat: Balance at December 31, 1916	600.00
				Less—Depreciation	5,121.40
					539.10
				Additions	4,582.30
					184.50
				" Furniture and Sundries: Balance at December 31, 1916	4,766.80
				Less—Depreciation	658.36
					197.36
				" Lease Account...	461.00
				" Stock at Quarry:—	17,513.95
				Stone and Sand	2,484.10
				Explosives	3,602.12
				" Sundry Debtors	6,086.22
					556.62
				" Cash at Quarry	2.06
				" in General Funds	2,350.06
					2,352.12
	TAEIS	57,143.42		TAEIS	57,143.42

CONCRETEWARE MANUFACTORY.**Working Account.***Dr.**Cr.*

	Tls.	Tls.		Tls.	Tls.
<i>To</i> Stock at December 31, 1916—			<i>By</i> Concreteware, Cement and Steel Bars sold and used—		
Concreteware	23,710.87		Concreteware	47,989.03	
Cement	6,412.65		Cement	102,911.40	
Steel Bars and Iron Wire	3,376.36		Steel Bars and Iron Wire	2,987.83	
		33,499.88			153,888.26
" Manufacturing Account—			" Manufacturing Account—		
Concreteware made		45,133.81	Profit on Manufacture		253.89
" Cement purchased	92,950.00		" Stock at December 31, 1917—		
" Iron and Steel "	2,633.03	95,583.03	Concreteware	25,934.74	
		12,627.85	Cement	3,726.85	
" Balance (Profit) transferred to Adjustment A/c			Steel Bars and Iron Wire	3,020.83	
					32,702.42
TAELS...		186,844.57	TAELS...		186,844.57

*Dr.***Balance Sheet.***Cr.*

	Tls.	Tls.		Tls.	Tls.
<i>To</i> Capital Account		76,307.53	<i>By</i> Land		79,747.50
" Reserve Account		31,704.84	" Buildings—		
" Sundry Creditors		6,823.49	Balance at December 31, 1916 ...	15,773.67	
" Adjustment Account		29,859.20	Less—Depreciation	379.47	
				15,394.20	
			Additions	2,480.01	
					17,874.21
			" Plant—		
			Manufacturing Machines, Moulds, etc.		
			Balance at December 31, 1916 ...	8,794.50	
			Less—Depreciation	1,139.19	
				7,655.31	
			Additions	216.50	
					7,871.81
			" Stock at December 31, 1917—		
			Concreteware and Cement	29,681.59	
			Steel Bars and Iron Wire	3,020.83	
					32,702.42
			" Sundry Debtors		191.86
			" Cash in General Funds		6,307.26
TAELS...		144,695.06	TAELS...		144,695.06

Dr.

INDUSTRIAL UNDERTAKINGS ADJUSTMENT ACCOUNT.

Cr.

	Tls.	Tls.		Tls.	Tls.
To Cash Contributions transferred to Ordinary Income.			By Balances of Profit brought forward—		
Convict Labour	4,600.00		Convict Labour	4,633.17	
Concreteware Manufactory	10,000.00		Concreteware Manufactory	27,231.35	
Pingchiao Quarry	12,000.00		Pingchiao Quarry	512.63	
Tungchow Road Workshop	2,500.00		Tungchow Road Workshop	918.95	
		28,500.00			33,296.10
„ Balances of Profit carried forward—			„ Profits for year transferred—		
Convict Labour	8,834.34		Convict Labour	8,201.17	
Concreteware Manufactory	29,839.20		Concreteware Manufactory	12,627.85	
Pingchiao Quarry	13,390.78		Pingchiao Quarry	24,878.15	
Tungchow Road Workshop	566.28		Tungchow Road Workshop	2,147.33	
		52,650.60			47,854.50
„ Balance		9,887.84	„ Cash in General Funds—		
			Convict Labour	682.45	
			Concreteware Manufactory	6,307.26	
			Pingchiao Quarry	2,350.06	
			Tungchow Road Workshop	548.07	
					9,887.84
TAELS ...		91,038.44	TAELS ...		91,038.44

POLICE RECREATION AND REWARDS FUND.

INCOME.	Tls.	EXPENDITURE.	Tls.
Fines	570.79	Rewards	1,230.05
Donations	421.10	Books, magazines and newspapers	537.13
Balance at December 31, 1917, transferred to Police General Account	2,803.79	Shooting prizes	107.15
		Repairs to house-boats, etc.	921.03
		Grant towards Christmas dinner	82.88
		„ „ Ice	417.30
		Athletic requisites	310.10
		Miscellaneous	190.04
	Tls. 3,795.68		Tls. 3,795.68

LAND.

Property.	Value at January 1, 1917.	Adjustments and Additions less sales during the year.	1917 Re-assessment.		Value at December 31, 1917.
			Increase in value.	Decrease in value.	
	Tls.		Tls.	Tls.	Tls.
Central Offices	1,384,842.56	Cr. 92,089.63		151,280.93	1,140,972.00
Town Hall	69,420.00		29,370.00		98,790.00
Volunteer Corps.—					
Rifle Range	283,280.71				283,280.71
" " Extension... ..	238,177.53				238,177.53
" " New Stop Butts	26,168.68				26,168.68
Riding School	7,222.00			2,166.60	5,055.40
Fire Brigade.—					
Hongkew Station	14,597.42	15,082.50		39.92	29,640.00
Sinza Station	12,080.00		2,265.00		14,345.00
Yan-ai-zepoo Station	25,505.32			8,929.32	16,576.00
Workshop	20,570.00	Cr. 20,570.00			
Police Force.—					
Stations.					
Hongkew	104,300.00		14,900.00		119,200.00
Louza	126,000.00				126,000.00
Sinza	54,560.00		10,290.00		64,790.00
Wayside	13,108.50		1,456.50		14,565.00
West Hongkew	29,205.00			3,894.00	25,311.00
Yangtze-poo	6,911.50		601.00		7,512.50
Gaoi	71,352.00				71,352.00
Eastern Depot	20,150.00			4,650.00	15,500.00
Western Depot	34,053.75	Cr. 184.50		752.65	33,116.60
Carter Road Quarters	7,930.00		3,965.00		11,895.00
Dog Kennels	1,782.00				1,782.00
Sikh Gurdwara	4,661.96				4,661.96
Health Department.—					
Hospitals.					
Victoria Nursing Home	239,971.58	Cr. 2,411.30		63,232.28	174,328.00
Isolation Hospital	235,215.00	20,570.00	10,071.00		265,856.00
" " for Chinese	63,300.00		4,220.00		67,520.00
Mokanshan Sanatorium	6,423.91				6,423.91
Public Swimming Bath	3,550.00				3,550.00
Markets.—					
East Hongkew	5,163.00		860.50		6,023.50
Elgin	39,600.00		5,280.00		44,880.00
Hongkew	157,448.50		1,575.50		159,024.00
Maloo	104,832.00		44,352.00		149,184.00
Mohawk	3,790.00		1,137.00		4,927.00
Purdon	22,889.23		1,245.77		24,135.00
Sinza	22,698.04		1,286.96		23,985.00
Sungpan	1,604.93			578.93	4,026.00
Wayside	2,535.00				2,535.00
Wuchow	5,348.87		2,796.13		8,145.00
Yangtze-poo	2,849.25			100.35	2,748.90
Slaughter House	32,669.00		9,334.00		42,003.00
Cattle Sheds	42,825.00		2,855.00		45,680.00
House Refuse Depot	9,977.18		8,169.82		18,147.00
" " Soochow Creek	16,832.33	4,944.82			21,777.15
Public Works Department.—					
Quarters, Avenue Road	9,640.00		2,410.00		12,050.00
Wayside Public Wharf	86,458.24		31,336.76		117,795.00
Depôts.—					
Great Western Road	816.00	Cr. 816.00			
Hart Road... ..		3,135.00			3,135.00
Jessfield	1,850.00	8.99			1,858.99
Markham Road	9,660.00		5,520.00		15,180.00
Markham Road, Stoneyard	4,658.50		399.30		5,057.80
North Chekiang Road	9,432.00		1,179.00		10,611.00
North Honan Road	28,160.00				28,160.00
Sinza Road		5,427.00		2,007.00	3,420.00
Shams Road	35,010.00	17,613.16	6,211.84		58,835.00
Soochow Creek	4,924.56	Cr. 268.80	1,917.04		6,572.80
Thorne Road	42,592.50	Cr. 19,507.50	1,599.00		24,624.00
Wayside	2,628.00				2,628.00
Wuchow Road		29,922.26		6,904.56	23,017.70
Parks and Open Spaces.—					
Brenan Piece	9,080.66				9,080.66
Warren Piece	3,455.46	162.85			3,618.31
Hongkew Recreation Ground	697,991.28	69,129.85			767,121.13
Jessfield Park	228,471.49	60,172.35			288,643.84
Quinsan Square	154,080.00			10,272.00	143,808.00
Wayside Park	53,309.13	Cr. 3,084.26		19,108.07	31,116.80
Playgrounds for Children	582.63	20,230.69		2,671.62	18,141.70
Nurseries.—					
Hungjao Road	13,211.40				13,211.40
Siccanwei Road	7,083.80				7,083.80

Carried forward

4,980,497.40	107,467.48	206,484.12	276,588.23	5,017,860.77
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LAND—continued.

Property.	Value at January 1, 1917.	Adjustments and Additions less sales during the year.	1917 Re-assessment.		Value at December 31, 1917.
			Increase in value.	Decrease in value.	
	Tls.	Tls.			Tls.
Educational Department.—	4,980,497.40	107,467.48	206,484.12	276,588.23	5,017,860.77
Public School for Boys	56,804.87				56,804.87
" for Girls	152,236.00				152,236.00
Thomas Hanbury School for Boys	56,857.75	75,503.33			75,503.33
" " for Girls	52,247.00				56,857.75
Public School for Chinese	49,095.00		6,273.00		52,247.00
Ellis Kadoorie Public School for Chinese	43,790.41		15,146.79		100,368.00
Nieh Chih Kuei	14,087.20		1,192.40		58,937.20
Latrines and Urinals.—					15,279.60
Avenue Road	855.00		324.00		1,179.00
Broadway East.	940.50				940.50
Buntoongloong	1,834.00		393.00		2,227.00
Boone Road	352.00				352.00
Carter Road	399.00		66.50		465.50
Chaoufoong Road	160.86		112.74		272.60
Durpoe Road	2,690.00				2,690.00
East Hanbury Road	1,512.00		252.00		1,764.00
East Seward Road	1,000.00		200.00		1,200.00
East Yalu Road	112.35			14.35	98.00
Fokien Road	756.00		63.00		819.00
Haining Road	512.00		61.00		573.00
Hwakee Road	1,144.00			88.00	1,056.00
Jansen Road	1,089.75	19.25			1,109.00
Kansuh Road	127.50				127.50
Lay Road	186.00		46.50		232.50
Mohawk Estate	342.00				342.00
Moji Road	60.30			26.80	33.50
North Chekiang Road	693.00		231.00		924.00
North Shansu Road	689.89			136.89	553.00
Park Road	1,140.00		190.00		1,330.00
Pingliang Road	612.73			371.23	241.50
Rangoon Road	50.00		15.00		65.00
Sinza Road	720.00				720.00
Stonebridge Road	933.89	Cr. 933.89			
Thorburn Road	114.80			32.80	82.00
Thorne Road	240.00	Cr. 240.00			
Taising Road	252.00		84.00		336.00
Wuchow Road	848.10				848.10
Drainage Creeks.—					
Near Connaught Road	152.00				152.00
" Robinson Road	570.00			171.00	399.00
" Siccawei Road	590.00				590.00
Surplus Land.—					
Avenue Road	22,991.56	3.39		6,410.95	16,584.00
Alcock Road		88.38			88.38
Baikal Road	983.60		191.15		1,174.75
Bubbling Well Road	1,379.00	Cr. 1,379.00			
Connaught Road	1,920.00		122.60		2,042.60
Chungking Road	1,346.34		340.66		1,687.00
Dalny Road	788.00		197.00		985.00
Dalny and Yulin Roads	4,054.00		1,013.50		5,067.50
Great Western Road		816.00	932.50		1,748.50
Gordon Road	3,026.86			784.36	2,242.50
Jessfield Road	981.43				981.43
Kiaochow Road	230.55	Cr. 14.83			215.72
Kirin Road	1,996.80	Cr. 163.41		617.59	1,185.80
Kinchow Road	1,221.72	Cr. 359.81			1,745.90
Kungting Road		188.27			188.27
Markham Road	1,870.00			467.50	1,402.50
Medhurst Road	230.32		269.68		500.00
Moulmein Road	814.75	Cr. 142.75			672.00
Nanyang Road	451.50				451.50
Near Hongkew Recreation Ground	13,960.00	Cr. 4,392.99			9,567.61
North Shansu Road	706.27		183.73		890.00
North Szechuen Road Extension	6,309.40				6,309.40
Old Boundary Stone Site	21.00	Cr. 21.00			
Peking Road	1,090.42	Cr. 1,090.42			
Pingliang Piece			970.14		970.14
Pingliang Road			1,083.96		1,083.96
"			133.90		153.90
Rangoon Road	1,067.00		610.20		1,707.20
Riffe Range	30,775.79	Cr. 216.32			30,559.47
Shanhaiwan Road	4,544.36		13.50	1,866.14	6,424.00
Singapore Road			1,951.27		1,951.27
Sinza Road	3,135.00	Cr. 3,135.00			
Siccawei Road	230.00				230.00
Tatung Road	1,455.00			532.50	922.50
Thorburn Road	1,148.80		71.80		1,220.60
Ward Road	255.00				255.00
Warren Road	36.17				36.17
Wayside Road	3,979.20		889.20		4,868.40
Washing Road	1,511.89		259.91		1,771.80
West Szechow Road	7,402.22	Cr. 4,672.22		227.00	2,503.00
Wuting Road	2,112.82		9.25		2,122.07
Yates Road	1,992.00		498.00		2,490.00
Yochow Road	2,052.00			1,197.00	855.00
Yu Yuen Road Extension	6,988.50				6,988.50
Tls.	5,607,354.57	171,507.08	239,498.11	287,696.20	5,730,663.56

BUILDINGS.

Property.	Value at January 1 1917.	Depreciation.	Additions, Adjustments and Sales during the year.	Value at December 31, 1917.
	Tls.	Tls.	Tls.	Tls.
Central Offices.—				
Old Buildings	138,326.00	2,766.52		135,559.48
New "	616,082.99		190,729.86	806,812.85
Town Hall	111,482.90	2,229.66		109,253.24
Volunteer Corps.—				
Rifle Range	5,710.92	114.22		5,596.70
Fire Brigade.—				
Stations.				
Hongkew				
Old Buildings	9,868.14	197.36		9,670.78
New "	64,523.03		13,515.92	78,038.95
Sinza	39,665.13	793.30		38,871.83
Victoria	2,642.39	52.85		2,589.54
Workshop	3,202.93		Cr. 3,202.93	
Bell Tower, Shantung Road	2,001.82	40.04		1,961.78
Police Force.—				
Stations.				
Louza	39,717.65	794.35		38,923.30
Hongkew	48,476.24	969.52		47,506.72
West Hongkew	52,231.47	1,044.63		51,186.84
Wayside	38,484.83	769.70	1,298.17	39,013.30
Yangtzepoo	11,784.92	235.70		11,549.22
Sinza	44,408.03	888.16		43,519.87
Gordon Road (Depôt)	129,147.45	2,582.95	3,653.22	130,217.72
Bubbling Well	29,367.76	587.36		28,780.40
Gaoi	232,041.79	4,640.84	169,559.28	396,960.23
Carter Road Quarters	6,005.48	120.11		5,885.37
Dog Kennels	915.21	18.30		896.91
Health Department.—				
Hospitals.				
Victoria Nursing Home and Mental Ward	130,934.06	2,618.68		128,315.38
Isolation Hospital	234,217.61	3,101.60	28,914.79	260,030.80
" " for Chinese	18,416.83	368.34		18,048.49
Police Hospital for Sikhs	4,585.63	91.71		4,493.92
" " Chinese	17,053.71	341.07		16,712.64
Mokanshan Sanatorium	1,711.96	34.24		1,677.72
Public Swimming Bath	17,641.54	352.83		17,288.71
Sub-District Office	1,075.89	21.52		1,054.37
Cemeteries.—				
Crematorium, Bubbling Well	26,318.97	526.38		25,792.59
Crematorium for Sikhs	319.05	6.38		312.67
Soldiers' Cemetery	3,169.13	63.38		3,105.75
Markets.				
East Hongkew	7,510.52	150.21		7,360.31
Elgin	9,530.40	190.60		9,339.80
Hongkew	47,002.32	940.05		46,062.27
Maloo	67,261.43	1,345.23		65,916.20
Mohawk	2,001.82	40.04		1,961.78
Pardon			16,172.21	16,172.21
Sungpan	4,860.26	97.20		4,763.06
Sinza	9,720.22	194.40	2,119.64	11,645.46
Wayside	3,683.37	73.67		3,609.70
Wuchow	10,505.97	210.12		10,295.85
Yangtzepoo	3,444.24	68.88		3,375.36
Slaughter House	16,014.62	320.29		15,694.33
Cattle Sheds	16,719.26	334.39		16,384.87
Quarters, Woosung Road	5,392.69	107.85		5,284.84
Carried forward	2,285,178.58	30,444.63	422,760.16	2,677,494.11

BUILDINGS—continued.

Property.	Value at January 1, 1917.	Depreciation.	Additions, Adjustments and sales during the year.	Value at December 31, 1917.
	Tls.	Tls.	Tls.	Tls.
<i>Brought forward</i>	2,285,173.58	30,444.63	422,760.16	2,677,494.11
Public Works Department.—				
Quarters, Avenue Road	11,158.99	223.18		10,935.81
Depôts.				
Ewo Road	1,655.24	33.10		1,622.14
Gordon Road			833.89	833.89
Hart Road	514.57	10.29		504.28
Markham Road	558.28	11.17	754.28	1,301.39
North Chekiang Road	2,210.03	44.20		2,165.83
North Honan Road			734.36	734.36
Soochow Road	2,962.86	59.26		2,903.60
Suzza Road	5,960.95	119.22	1,643.27	7,485.00
Thorne Road, Carpenters' Shops	2,580.08	51.60	964.48	3,482.96
Wayside	640.59	12.81		627.78
Steam Roller Shed (Yunnan Road)	259.46	5.19		254.27
Office, Northern District	2,243.84	44.88		2,198.96
Kiosks and Wells for Tide Recorders	729.84	14.60		715.24
Work Shelters	2,519.85	50.40		2,469.45
Parks and Open Spaces.—				
Hongkew Recreation Ground	3,317.17	66.34	9,400.00	12,650.83
Public Garden	15,750.41	315.01		15,435.40
Reserve Garden	12,656.83	253.14		12,403.69
Nursery, Hungjao Road	269.06	5.38		263.68
Quinsan Square	558.86	7.18		551.68
Wayside Park	478.14	9.56		468.58
Educational Department.—				
Public School for Boys	79,185.87	1,463.72	1,115.45	72,837.60
" for Girls	39,610.19	792.20		38,817.99
Thomas Hanbury School for Boys	83,249.53	1,664.99	376.94	81,961.48
" for Girls	32,705.97	655.92		32,140.05
Public School for Chinese	47,613.84	952.28		46,661.56
Ellis Kadoorie Public School for Chinese	45,934.92	918.70		45,016.22
Nieh Chih Kuei	53,408.21	1,068.16		52,340.05
Polytechnic	3,311.35		1,680.75	4,992.10
Tls.	2,731,113.51	39,297.11	440,253.58	3,132,069.98

STOCK AND STORES.

Property.	Value at January 1, 1917.	Depreciation	Additions, Adjustments and Sales during the year.	Value at December 31, 1917.
Volunteer Corps.—	Tls.	Tls.	Tls.	Tls.
Furniture and Sundries	4,452.25	445.22	346.87	4,853.90
Maxim and Nordenfeldt Guns	1,340.63	201.09		1,139.54
Morris Tubes	1,493.11	74.66		1,418.45
Rifles, Carabines, Revolvers and Breeching Up Tools, Sub-target Machine	20,349.93	3,052.50		17,297.48
Light Horse Saddles and Equipment	1,448.90	289.78		1,159.12
Battery Harness and Ponies	1,775.46	355.09	1,149.30	2,569.67
Infantry Equipment	4,328.71	865.74	542.39	4,005.36
Engineer Company Stores	1,805.42	361.08	812.49	2,256.83
Ammunition	24,900.01		1,583.68	26,483.69
Winter Overcoats	3,829.11	765.82		3,063.29
Motor Car and Motor Bicycle	1,863.00	372.60	500.00	1,990.40
Canvas Tents	716.81	143.36		573.45
Fire Brigade.—				
Steam Engines, Motor Fire Engines, Escapes, Tenders & Steam Fire Float	93,256.97	9,325.70	4,434.40	88,365.67
Fire Hose	6,000.00			6,000.00
Harness	252.89		Cr. 252.89	
General Plant, etc.	27,237.33	2,725.73	5,862.12	30,393.72
Horses and Ponies	412.50	103.13	Cr. 309.37	
Fire Bells	2,507.23	125.36		2,381.87
Smoke Helmets and Fittings	724.77	72.48		652.29
Automatic Water Heater	277.34	55.47		221.87
Furniture and Sundries	2,093.11	209.31	2,481.67	4,865.47
Motor Bicycle			444.64	444.64
Police Force.—				
Furniture, Fittings and Carriages	57,799.01	5,779.90	2,906.83	54,925.94
do. at Mixed Court	2,778.06	277.81	7,281.12	9,781.37
Motor Cars, Ambulances, Prison Van and Accessories	10,409.42	2,081.88	3,899.81	11,727.35
Fire Hose and Appliances	4,946.90	989.38		3,957.52
Arms, Rifle Stands, etc.	17,771.84	2,665.78	229.53	15,335.59
Ambulance Litters, Bicycles, Lamps, Whistles, Prisoners' Chains, Leg Irons, Tools, Carts, etc.	13,751.72	1,375.17	1,006.74	13,383.29
Saddlery Accoutrements and Stable Furniture	1,595.62	319.12	18.37	1,294.87
Electric Lamps, Fans and Fittings	7,370.69	737.07	543.47	7,177.09
Stores in Godown	1,350.00			1,350.00
Printing Type	235.31	23.53		211.78
Lethal Chamber for destroying Dogs	444.05	44.41		399.64
Studio Camera and Accessories	296.23	29.62		266.61
Athletic Apparatus	229.77	22.98		206.79
Steam Dyeing Vat and Washing Machine	117.21	11.72		105.49
Police Telephone Boxes	1,158.98	115.90	380.40	1,423.48
Uniform	25,172.02		Cr. 2,461.13	22,710.89
Ammunition	1,501.89			1,501.89
Legal Library	337.36	33.74	25.76	329.38
Health Department.—				
Motor Car, Carriage, etc.	1,952.59	390.52		1,562.07
Furniture, Apparatus and Sundries	51,694.77	5,169.48	13,477.90	60,003.19
Public Works Department.—				
Furniture, Fittings, Plans of Settlement, etc.	14,003.11	1,400.31	1,920.24	14,523.04
Motor Cars, Motor Wagons and Accessories	8,727.96	1,526.99	3,447.53	10,648.50
Steam Road Rollers, Steam Water Wagon, Scarifiers and Dredger Hand Winches and Diaphragm Pumps	31,107.34	2,333.05	3,731.79	32,506.08
Hand Rollers, Lawn-mowers, Sweeping Machines, Garden Seats and Public Lamp Pillars	24,296.31	1,822.22	621.96	23,096.05
Carriages, Carts, Wheelbarrows, etc.	8,089.68	808.97	35.48	7,316.19
Harness	331.67	66.33		265.34
Tools, Danger Lamps, Shovels, Rakes, Tar Boiling Plant and Spraying Machines, etc.	5,025.45	502.55		4,522.90
Tar Macadam Plant	3,462.00	346.20	20,880.02	23,995.82
Stores in Godown	12,760.51		740.07	13,500.58
Pontoons and connecting Bridges	45,757.02	3,431.78		42,325.24
Boundary Stones, Road Materials, Iron Gully and Manhole Covers	45,700.87		26,723.71	72,424.58
Flags	823.07	164.61		658.46
Bass Brooms, and spare parts for Carts, Machine Brushes and Steam Rollers	2,968.79		746.91	3,715.70
Town Hall.—				
Furniture and Sundries	2,839.05	283.90		2,555.15
Work Shelters.—				
Furniture and Sundries	119.29	11.93		107.36
Public Band.—				
Instruments, Music Stands, etc.	859.57	128.94	123.60	854.23
Furniture	90.01	13.50		76.51
Music	425.00			425.00

Carried forward

609,385.67

52,453.41

103,375.41

660,307.67

STOCK AND STORES—continued.

Property.	Value at January 1, 1917.	Depreciation.	Additions, Adjustments and Sales during the year.	Value at December 31, 1917.
	Tls.	Tls.	Tls.	Tls.
<i>Brought forward</i>	609,385.67	52,453.41	103,375.41	660,307.67
Public Library.— Books Furniture and Sundries	7,500.00 844.61	84.46		7,500.00 760.15
Public School for Boys.— Furniture and Sundries Laboratory Apparatus	2,805.80 596.79	280.58 89.52	716.96	3,242.18 507.27
Public School for Girls.— Furniture and Sundries Laboratory Apparatus	4,197.93 93.16	419.70 13.97	2,941.48	6,719.62 79.19
Thomas Hanbury School for Boys— Furniture and Sundries	19,969.09	1,996.91	Cr. 3,017.80	14,954.38
Thomas Hanbury School for Girls— Furniture and Sundries			4,296.97	4,296.97
Public School for Chinese.— Furniture and Sundries Band Instruments	4,196.83 71.62	419.68 10.74	530.85	4,308.00 60.88
Ellis Kadoorie Public School for Chinese.— Furniture and Sundries	4,791.36	479.14	493.98	4,806.20
Nieh Chih Kuei Public School for Chinese.— Furniture and Sundries	4,899.35	489.94	461.72	4,871.13
Polytechnic Public School for Chinese— Furniture and Sundries			1,766.85	1,766.85
Finance Department.— Furniture and Sundries Safes	3,893.01 1,746.20	389.30 174.62	379.82 450.00	3,883.53 2,021.58
Secretariat.— Furniture and Sundries	8,123.25	812.33	436.19	7,747.11
	Tls.			
	673,114.67	58,114.39	112,832.43	727,832.71

ESTIMATES FOR 1918.

ESTIMATES FOR 1918

with

Remarks thereon by the Council for 1917.

The following Budget of Municipal Income and Expenditure is submitted for the approval of the Ratepayers at the Annual Meeting to be held in March 1918.

The <i>Ordinary Income</i> for the year is estimated at	Tls. 3,895,780
and the <i>Ordinary Expenditure</i> at	3,591,610
leaving a Surplus on the Ordinary Budget of	304,170
It is proposed to raise by debentures during the year the sum of	1,800,000
to which can be added the amount raised by issue of debentures in the 1917	
loan from January 1 to March 9, 1918	300,100
and miscellaneous income of	20,000
thus the <i>Extraordinary Income</i> will amount to	2,424,270
The deficit brought forward from 1917 is	Tls. 488,870
and <i>Extraordinary Expenditure</i> is recommended aggregating	1,955,715
	2,444,585
leaving a deficit to be carried forward to 1919 of	20,315

ORDINARY INCOME.

Land Tax, Tls. 905,950.—An increase of Tls. 69,231 over the receipts for 1917. The levy proposed is 6/10ths of one per cent with no rebate. The estimates of expenditure were very carefully revised by the Finance Committee and reductions were made wherever possible. The resultant surplus on the Ordinary Budget, Tls. 236,224, could not however be regarded as providing that margin of safety which is considered to be so essential to the preservation of the credit of the Municipality particularly in these abnormal times (*vide* Annual Report 1916, p. 81c). Accordingly it has been found necessary to recommend the abolition of the rebate on the Land Tax which was reduced a year ago from 15% to 7½%. The alternative, an increase in the rates of taxation, did not commend itself to the Council as desirable under present conditions.

General Municipal Rate, Tls. 1,635,000.—The Foreign and Chinese Rates are estimated at Tls. 645,000 and Tls. 990,000 as compared with the receipts for 1917, Tls. 624,886 and Tls. 958,062 respectively. The total increase of Tls. 52,052 is in anticipation of property development.

Wharfage Dues, Tls. 200,000.—This compares with the actual receipts for 1917, Tls. 203,394.

Licence Fees, Tls. 542,350.—A decrease of Tls. 12,412 compared with last year's receipts, Tls. 554,662. Certain amendments have been made in the Schedule of Licence Fees, including provision for the licensing of Vendors of Ice Cream and Iced Drinks, etc., and Food and Drinks Stalls, Stands, etc. For Fruit Shops and Fruit Stalls the fee is altered from \$10 per quarter to \$5 per month and provision is made for a special licence fee of \$3 per month for Hawkers of fruit and other foods considered dangerous and posted as such in the Municipal markets.

The revenue from opium shops disappears entirely with the closure of the last of the shops on March 31, 1917. Increases on the estimates for 1917 are anticipated notably in the receipts from Wheelbarrows Tls. 8,000, Motor Cars Tls. 7,000, Private Richshas Tls. 4,000, Pawn Shops Tls. 3,000 and Carts Tls. 2,000;

on the other hand small decreases are anticipated in the receipts from the Private Pony and Carriage and Livery Stable licences. The estimated receipts from the licensing of Tobacco Shops, Tls. 10,000, and Exchange Shops, Tls. 5,000, included in the Budget for 1917, have been re-inserted in the hope that the necessary licensing powers will be obtained during the year.

Rent of Municipal Properties, Tls. 118,350.—An increase of Tls. 10,893 over the receipts for 1917. The estimate of Market Fees shows an increase of Tls. 16,350 over the estimate for last year, the most substantial increase being in respect of the Purdon Road Market, which was opened in the course of the year.

Revenue from Public and Municipal Undertakings, Tls. 492,730.—Owing to the present high rate of exchange the dividend on the Council's holding of Waterworks shares will, it is anticipated, show a reduction of Tls. 2,700 : on the other hand an increase in the royalty receipts from the Tramway Company is looked for, from Tls. 46,500 to Tls. 48,000. The contributions from Convict Labour and from the Pingchiao Quarry show increases of Tls. 7,000 and Tls. 5,000 respectively and that from the Concreteware Manufactory a decrease of Tls. 10,000. The contribution from the Tungchow Road Workshop remains the same, Tls. 2,500. The item "Electricity Department, contribution to General Funds, Tls. 364,000" marks an innovation and follows the decision recently reached that the profits of the Electricity Department, after payment of working expenses and interest on loans and after provision for adequate depreciation of plant and machinery, for a General Reserve and for a Contribution to General Funds Equalisation Account, should be transferred to Ordinary Income.

RATES, TAXES, DUES AND FEES.

The Council recommends that the following be levied :—

Land Tax from January 1, 1918, at the rate of 6/10ths of one per cent. payable half-yearly in advance on the assessed values of all land within the limits of the Settlement, provided that when any portion of a Cadastral lot has been acquired for public purposes under Article VI A of the Land Regulations at a price based on a higher valuation than the assessed value, plus 10 per cent., land tax shall be levied on the remaining area of such Cadastral lot at the rate, as from the date of such acquisition, of 6/10ths of one per cent. on such higher valuation.

General Municipal Rate at 12 per cent., on the assessed rentals of houses within the Settlement, from the occupants, from April 1, 1918, until the next Annual Meeting of Ratepayers, payable quarterly in advance.

General Municipal Rate at 6 per cent., on the assessed rentals of houses beyond Settlement limits, under provision of the agreement of July 1, 1905, with the Shanghai Waterworks Co., Ltd., from the occupants, from April 1, 1918, until the next Annual Meeting of Ratepayers, payable quarterly in advance.

Special Advertisement Rate.—From Tls. 0.05 to Tls. 5 per square foot of advertisement per annum from the occupier of land upon which any building carrying advertisements, advertising hoarding or station is erected.

Wharfage Dues on all goods passed through the Custom-house under the following tariff :—

		<i>Hk. Tls.</i>
<i>On Silk.</i> —Steam Filature,	per picul	0.320
Raw and White,	„	0.160
Yellow, Native,	„	0.135
Wild, Raw,	„	0.100
„ Filature,	„	0.120
Re-reeled, Native,	„	0.250
„ Filature,	„	0.300
Cocoons,	„	0.060
<i>On Tea.</i> — Black and Green,	„	0.015
Brick,	„	0.010
Dust,	„	0.003
<i>On Treasure.</i> —	per Tls. 1,000	0.300

On all other dutiable goods 2½% on the amount of duty levied.

On all goods classed as “duty free” by the Customs 1% of 1½% on the declared value.

Licence Fees.—From the date when the Amended Byelaws come into operation until the next Annual Meeting of Ratepayers, payable in advance as follows :—

Tobacco Shop * Tls. 1 to Tls. 25 per quarter.

Exchange Shop * Tls. 1 to Tls. 25 per quarter.

From April 1 until the next Annual Meeting of Ratepayers, payable in advance unless otherwise specified, as follows :—

Hotel or Tavern—on Licence * Tls. 45 to Tls. 125 per quarter.

Temporary Bar At the discretion of the Council.

Foreign Liquor Seller—off Licence, payable by all dealers
in Foreign Wines, Spirits or Beer, wholesale or retail } Tls. 75 per quarter.

Chinese Lodging House * Tls. 3 to Tls. 80 per quarter.

Billiard or Bowling Saloon Tls. 3 per quarter for each table or alley.

Chinese Club Tls. 25 per quarter.

Chinese Wine Shop * Tls. 3 to Tls. 40 per quarter.

Tea Shop * Tls. 0.50 to Tls. 50 per month.

* According to class.

Eating House, Place of Refreshment, Restaurant, etc.:—

Food Shops and Vendors of Ice Cream and Iced Drinks, etc.	* \$1 to \$20 per quarter.
Restaurants	* Tls. 10 to Tls. 25 per quarter.
Foreign Theatre	* Tls. 0.10 to Tls. 5 for every day or night open
Chinese Theatre	* Tls. 20 to Tls. 100 per month.
Cinematograph	* Tls. 20 to Tls. 100 per month
Sing Song and Story Teller	* Tls. 6 to Tls. 50 per month
Music Hall, Cirens, Fair, Dancing Saloon, or other place of Public Entertainment	* Tls. 0.10 to Tls. 5 for every day or night open
Pawnshop	* $\frac{1}{3}$ to 1 per cent per annum on business done, payable quarterly.
Food and Drink Stalls, Stands, etc.	† \$1 to \$20 per quarter
Cargo Boat :—	
Foreign	* \$1.50 to \$4.50 per month
Chinese	* \$0.50 to \$1.00 per month
Ferry and Passenger Boat	\$2 per month, payable on demand.
Launch	Tls. 2 per month, or Tls. 5 if carrying passengers.
Chinese Boat	* \$0.10 to \$0.60 per month, payable on demand.
Sampan	\$1 per two months, payable on demand.
Private Horse, Pony, Mule or Donkey.	\$1.50 per quarter.
Private Carriage	\$4.50 per quarter.
Livery Stable :—	
Horse, Pony, Mule or Donkey	\$1 per month.
Carriage	\$4 per month.
Private Motor Car	Tls. 10 per quarter.
Public Motor Car	Tls. 8 per quarter.
Trade Motor Car	Tls. 5 per quarter.
Van or Lorry	* Tls. 15 to Tls. 35 per quarter.
Motor Bicycle	Tls. 5 per quarter.
Delivery Tricycle or Trolley	† Tls. 0.50 per month.
Pony Cart or Van	* Tls. 3 to Tls. 6 per month.
Handcart	† Tls. 2 per month.
Private Ricsha	\$3 per quarter.
Public Ricsha, payable by the proprietor	† \$2 per ricsha per month.
Private Sedan-chair	\$3 per quarter.
Public Sedan-chair	\$6 per quarter.
Wheelbarrow	† Tls. 0.50 per month.
Ammunition, Firearms and Explosives payable by—	
Wholesale Importers	Tls. 150 per quarter.
Retail Sellers	Tls. 75 per quarter.
Dog	\$2 for the year or portion thereof.
<i>Slaughterhouse Fees :—</i>	
For every Ox killed	\$0.85
" " Sheep "	\$0.10
" " Calf "	\$0.25
" " Pig "	\$0.20
<i>Special Permit Fees :—</i>	
For every Ox killed	\$0.50
" " Sheep "	\$0.25
" " Calf "	\$0.25
" " Pig "	\$0.40

* According to class.

† According to nature of article sold.

‡ Exclusive of licence-plate.

Export Fees :—

For every Ox exported from the Cattle-shed	\$0.75
“ “ Sheep “ “ “	\$0.05
“ “ Calf “ “ “	\$0.20

Water Supply :—

For cleaning every Ox Hide	\$0.02
“ “ “ Entrails	\$0.02

Market Fees :—

Fruit shops and fruit stalls	\$5 per month.
Shop	\$7 to \$8 per month according to position.
Stall space of 6 feet by 4 feet	\$3 per month.
Basket “ 4 “ “ 2 “	\$1 “
Street hawkers	\$2 and \$3.

Permit Fees :—

For New Foreign Buildings :—

(a) For every building not exceeding 20,000 cubic feet	Tls. 4.00
(b) For every additional 5,000 cubic feet or fraction thereof	“ 1.00
(c) For alterations on plans already approved, not involving any addition to the cubical extent thereof	“ 1.00
(d) For alterations to existing buildings within the existing external walls (fee otherwise to be charged in accordance with (a) and (b))	“ 3.00
(e) If the plan should show a series of buildings of the same style, the fee will be computed for the first house according to the above rules, and for each other house half the rates will be charged, but no fee for a single series shall exceed	“ 50.00
N.B.—No fee for a single building shall exceed	“ 25.00

For New Chinese Buildings:—

For dwelling houses, shops or rooms in hong :—

3 houses or under with outhouses belonging thereto	“ 2.50
10 houses or under with outhouses belonging thereto	“ 5.00
Every additional room or house	“ 0.20
For other buildings	“ 10.00
The maximum fee shall not exceed for any one block of buildings	“ 50.00

Note.—For the purpose of computing the above fees a Chinese house shall be taken as having a superficial ground floor area, exclusive of yard space, not exceeding 400 square feet.

For minor building operations	Tls. 1.00
“ bundings	“ 2.50
“ placing ladders for house repairs	“ 0.50
“ erecting sign-boards, lamps, or fences	“ 0.50
“ mud-filling, etc.	“ 0.50
“ ceremonial arches	“ 5.00
“ “ if to cross streets 25 feet wide	“ 50.00
“ calico sunshade over streets	“ 0.50 per fong, minimum fee Tls. 0.50.
“ mat sunshade over streets	“ 2.00 per fong, minimum fee Tls. 2.00.

ORDINARY EXPENDITURE.

To compensate for the increased cost of living due to the war the issue of a temporary bonus to members of the Foreign Staff of all Departments, including the European members of the Police Force, was authorised from January 1, calculated on their monthly Pay not exceeding Tls. 300 : to married employés a bonus of 15 per cent with an additional $2\frac{1}{2}$ per cent for each child not exceeding two in number and under 16 years of age, if a boy, and under 20 years of age, if a girl : to unmarried employés a bonus of 10 per cent. The increase in the Departmental Estimates is in part traceable to the issue of this bonus.

Volunteer Corps, Tls. 60,420.—This estimate is slightly under that for 1917. The appropriation for ammunition is Tls. 3,600 less ; on the other hand the receipts from the sales of cartridge cases and the hire of the Rifle Range will, it is anticipated, show a decline of Tls. 2,000. Apart from these items and a reduction of expenditure under Stock and Stores, this estimate calls for no comment.

Fire Brigade, Tls. 95,870.—An increase of Tls. 15,100 traceable to provision for the pay of the recently appointed Clerical Assistant and for the appointment of two Inspecting Officers and to general increases in the strength of the Chinese Staff, also to increased appropriations for fuel, uniform and hose renewals, occasioned by the advance in prices. The requirements under Stock and Stores show a reduction from Tls. 13,000 to Tls. 8,700.

Police Force, Tls. 1,049,300.—This estimate is Tls. 79,360 higher than that for last year. This increase is chiefly due to revision of the scale of Pay for the Sikh Branch, to class promotions and to an increase in the number of Sikh warders from 104 to 161, necessitated by the completion of the new Gaol cell blocks ; also to an increase of 76 in the strength of the Chinese Branch. The cost of uniform shows an advance of Tls. 5,000, locomotion Tls. 5,400 and fuel Tls. 13,000, whilst the appropriation under the heading of Expenses of Prisoners shows an advance of Tls. 7,460 attributable to an increase in the number of prisoners and to the higher cost of their clothing. The expenditure under Stock and Stores is approximately the same as for 1917.

Health Department, Tls. 247,595.—An increase of Tls. 19,740. Small increases are to be noted in the total Pay of the Foreign and Chinese Branches. In view of the total absence of plague infected rats and of human cases, the appropriation for Plague Prevention, which was reduced last year to Tls. 25,000, has been still further reduced to Tls. 15,000 on the understanding that should special plague measures be found necessary, they will be carried out without strict compliance with the estimates. The receipts from the Laboratory during the past year, justify the expectation that the receipts from this source will reach Tls. 25,000. The discrepancy between the receipts from board and lodging and the expenses of carrying on the Private Nursing Service are marked. Under the grant to the General Hospital provision is included for a contribution of Tls. 3,500 towards the expenses of treating indigent patients, and for the higher interest charges involved by the increase of the Council's guarantee of the Hospital overdraft and the increase in the rate of interest thereon from 6 to 7 per cent. Stock and Stores show an increase of Tls. 7,100 : included therein are appropriations for hospital fittings and furniture, for the motor ambulance already ordered, for a second motor ambulance and for a new motor car for the Health Officer, whose existing car has seen many years' service and requires replacement. The appropriation included in last year's estimates for the purchase of two steam vacuum tank waggons, Tls. 14,000, is re-inserted.

Public Works Department, Tls. 1,012,250.—In comparison with 1917 this estimate shows an increase of Tls. 145,025. The appropriation for the upkeep of and general repairs to buildings and compounds exceeds that for last year by Tls. 22,110. Repairs and renewals to bridges, etc., account for an increase of Tls. 14,200, the reconstruction and maintenance of sewers, for Tls. 19,590, and maintenance, cleansing and watering of roads for Tls. 26,650, after allowance for the increase in the Tramway Company's contribution in respect of track maintenance. Lighting accounts for an increase of Tls. 27,020 due to the advance in the charges both for electricity and gas. The estimated expenditure under Stock and Stores on the other hand shows a decrease from Tls. 338,600 to Tls. 271,800, the credit value of Stores being Tls. 75,000 less than for 1917.

Public Band, Tls. 54,175.—In comparison with the estimate for last year an increase of Tls. 9,220. No more European musicians will be engaged during the war.

Public Library, Tls. 2,830.—This estimate is practically the same as for the past year.

Educational Department, Tls. 202,770.—The estimates for the several schools have as usual been carefully examined by the Educational Committees and the Finance Committee and generally speaking call for little comment. The total increase in the expenditure of Tls. 53,855 over the estimates for 1917 is chiefly traceable to the large augmentation in staff necessitated by the opening of the Public School for Girls in Avenue Road, to the increased attendance at the several schools and to the abnormal advance in the cost of fuel and lighting and of all school requisites. In the estimate for the Thomas Hanbury School for Boys provision is included for the expenses attendant on the proposed establishment of a Municipal School for Indian children. The educational grants-in-aid will remain at Tls. 8,000.

General Charges, Tls. 105,060.—The special grant-in-aid to the Door of Hope, Tls. 1,500, has been re-inserted.

Redemption of debentures, Tls. 345,500.—Less charged to Electricity Department Tls. 86,100. This appropriation assumes adoption of the recommendations contained in the report of the Special Committee on Loan Redemption published in the Municipal Gazette of March 16, 1918.

EXTRAORDINARY EXPENDITURE.

Bundings, Tls. 4,030.—This estimate provides for the Balance of the cost of the concrete bunding on West Soochow Road fronting Cadastral Lot 725 and on Lay Road south of Yangtzepoo Road less contributions from the frontagers concerned.

Drainage, Tls. 9,785.—The sewer in Yangtzepoo Road from Sungpan Road to Kwangshin Road will provide for the drainage from the adjoining market and property and will discharge into the main sewer in Kwangshin Road running from Yangtzepoo Road to the River.

Land, Tls. 233,200.—The several items included in this estimate have been very carefully scrutinised. Included therein is provision for the extension of the Gaol site and for extension of the Isolation Hospital for Chinese. Tls. 60,000 is included to pay for additions already made to Jessfield Park, and Tls. 10,000 for the development of the Park and for the laying out of the additional section of the Hongkew Recreation Ground. For the Educational Department provision is made for the extension of the site of the Thomas Hanbury School for Boys, for the extension of the playground of the Nieh Chih Kuei Public School for Chinese, and for the acquisition of land required to complete the site for the new Public School for Girls in the Western District.

In the past it has been customary to show the estimated expenditure on land in detail. This policy is open to objection since it means that the Community has on occasion to pay a higher price for land required for Municipal purposes than would be the case if no disclosure as to anticipated expenditure thereon were made in the Budget.

Buildings, Tls. 288,700.—The fourth year's expenditure on the new Central Offices accounts for Tls. 150,000. An appropriation of Tls. 10,000 for a portion of the cost of the construction of the Yangtzepoo Fire Station inserted in the Budget for last year was unexpended; the construction of this Station is a matter of some urgency, and accordingly an appropriation for a portion of the cost, Tls. 17,500, has been included. Tls. 13,000 the balance of the cost of the construction of the Hongkew Fire Station is included. Appropriations for the construction of Sikh barracks, a charge room, offices, and cells at the Louza Police Station and for additional stables at the Gordon Road Police Station involving a total expenditure of Tls. 41,850 have been excised, in the view that their construction is not a matter of urgency and that financial considerations require their postponement. An appropriation is included for a portion of the cost of a hospital to be constructed on the Gaol extension site, Tls. 10,000, and provision is made for the balance of the cost of the two new blocks of cells, Tls. 50,000. The requirements of the Health Department involving a total expenditure of Tls. 33,100, include Tls. 10,000 for a portion of the cost of the construction of the Isolation Hospital extension.

Roads, Tls. 170,000.—The appropriations under this heading are the same as for 1917, but it must be emphasised once again that the actual expenditure is largely dependant upon building activity in the Settlement.

MUNICIPAL BUDGET 1918.

Estimate for the year January 1 to December 31, 1918.

ORDINARY INCOME.

LAND TAX.		Tls.	Tls.	Tls.
At 6/10ths of 1 per cent on assessed value of property as follows:—				
Central District	Tals 72,276,400			
Northern "	26,797,900			
Eastern "	32,430,700			
Western "	25,789,000			
	157,294,000			
Less on value of property occupied by Churches, Cemeteries and Municipal Properties	6,303,000			
	<u>150,991,000</u>			935,950
GENERAL MUNICIPAL RATE.				
FOREIGN.				
At 12 per cent on Tls. 5,500,000, being assessed rental of rateable Foreign houses		660,000		
At 6 per cent on Tls. 360,000, being the same beyond Settlement limits, under provision of the agreement of July 1, 1905, with the Shanghai Waterworks Co., Ltd.		21,600		
		681,600		
Less—Allowance for vacant houses		36,600		
			645,000	
CHINESE.				
At 12 per cent on \$11,814,000, being assessed rental of rateable Chinese houses at exchange 72		1,020,730		
At 6 per cent on \$110,000, being the same beyond Settlement limits as above at exchange 72		4,752		
		1,025,482		
Less—Allowance for vacant houses		35,482		
			990,000	
SPECIAL ADVERTISEMENT RATE.			1,500	
WHARFAGE DUES.				1,636,500
Council's share of Dues, as per tariff, on goods passed through the Custom House				200,000
LICENCE FEES.				
Hotel, Tavern and Temporary Bar		19,000		
Foreign Liquor Seller		24,000		
Chinese Wine Shop		35,500		
Billiard and Bowling Saloon		500		
Chinese Club		4,500		
Chinese Lodging House		13,500		
Tea Shop		17,500		
Eating House, etc.		10,500		
Fruit Shop and Stall		9,000		
Foreign Theatre and Cinematograph		7,500		
Chinese Theatre, Sing Song and Story Teller		8,500		
Other Entertainments		500		
Pawn Shop		27,000		
Exchange Shop		5,000		
Tobacco Shop		10,000		
Cargo Boat		6,000		
Ferry and Passenger Boat		1,100		
Launch		3,300		
Chinese Boat		4,500		
Sampan		1,100		
Private-owned Pony and Carriage		12,000		
Livery Stable		12,000		
Motor Car and Motor Bicycle		35,000		
Cart		30,500		
Private-owned Ricksha		50,000		
Public Ricksha		140,000		
Sedan Chair		150		
Wheelbarrow		50,000		
Firearms		500		
Dog		3,600		
			542,250	
				3,284,700

Carried forward

MUNICIPAL BUDGET 1918—continued.

ORDINARY INCOME—continued.										Tls.	Tls.	Tls.
<i>Brought forward</i>												3,284,700
RENT OF MUNICIPAL PROPERTIES.												
Markets—												
Maloo	...	...	...	...	...	...	...	...	...	24,000		
Hongkew	...	...	...	...	...	...	...	...	...	32,000		
Elgin	...	...	...	...	...	...	...	...	...	14,000		
Purdon	...	...	...	...	...	...	...	...	...	8,000		
East Hongkew	...	...	...	...	...	...	...	...	...	7,800		
Sinza	...	...	...	...	...	...	...	...	...	12,000		
Mohawk	...	...	...	...	...	...	...	...	...	3,000		
Sungpan	...	...	...	...	...	...	...	...	...	1,750		
Yangtsepoo	...	...	...	...	...	...	...	...	...	2,190		
Wayside	...	...	...	...	...	...	...	...	...	2,750		
Wuchow	...	...	...	...	...	...	...	...	...	1,110		
Town Hall	...	...	...	...	...	...	...	...	...		108,600	
Firemen's Quarters—											1,000	
Central Station	...	...	...	...	...	...	...	...	...	1,320		
Hongkew Station	...	...	...	...	...	...	...	...	...	1,140		
Sinza Station	...	...	...	...	...	...	...	...	...	640		
Assessed Rentals of Municipal Quarters	...	...	...	...	...	...	...	...	...		3,100	
Miscellaneous	...	...	...	...	...	...	...	...	...		5,150	
											500	
REVENUE FROM PUBLIC AND MUNICIPAL UNDERTAKINGS.												118,350
Shanghai Waterworks Co., Ltd.												
Final dividend for 1917 and Interim dividend for 1918 on 2,470 shares											33,900	
<i>Note. 975 fully paid shares were issued to the Council under provision of the Agreement of July 1, 1905.</i>												
Shanghai Gas Co., Ltd., Royalty											1,000	
Shanghai Mutual Telephone Co., Ltd.												
Dividend on 1,333 shares from April 1, 1917, to March 31, 1918											5,330	
<i>Note. 1,000 fully paid shares were issued to the Council under provision of the Agreement of June 15, 1908.</i>												
Shanghai Electric Construction Co., Ltd., Royalty of 5% on gross receipts from												
Tramway Service											48,000	
Electricity Department, contribution to General Funds											364,000	
Convict Labour,											8,000	
Concreteware Manufactory											10,000	
Pingchiao Quarry											20,000	
Tungchow Road Workshop											2,500	
												492,730
Total carried to Summary												2,895,780

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE.

	Tls.	Tls.	Tls.
VOLUNTEER CORPS.			
<i>Pay.</i>			
<i>Foreigners.</i>			
Commandant	8,555		
Quartermaster Sergeant	2,400		
Sergeant Major	1,920		
	12,875		
<i>Less—On War Service</i>	8,555		
Temporary Bonus... ..		4,320	
		430	
<i>Chinese.</i>			
Town Hall, Riding School and Orderly Room Staff		2,500	
			7,250
<i>Superannuation</i>		240	
<i>Locomotion</i>		1,600	
<i>Fuel</i>		400	
<i>Light</i>		1,000	
<i>Printing, Stationery, etc.</i>		1,000	
<i>Insurance</i>		800	
<i>Telephone Service</i>		430	
<i>Postage</i>		200	
<i>Uniform</i>		18,000	
<i>Band</i>		1,000	
<i>Artillery Ponies</i>		5,700	
<i>Repairs to Arms and Accoutrements</i>		1,000	
<i>Ammunition</i>		12,000	
<i>Camp of Exercise</i>		3,000	
<i>Subscription to N.R.A.</i>		80	
<i>Maintenance of Range</i>		3,200	
<i>Chinese Government Land Tax</i>		270	
<i>Miscellaneous</i>		1,500	
		51,420	
<i>Less—Sale of Cartridge Cases, etc.</i>		3,000	
			48,420
Total carried to Summary			55,670
STOCK AND STORES.			
<i>Ponies</i>			600
<i>Component Parts of Saddlery</i>			1,500
<i>Engineer Company—Stores</i>			750
<i>Accoutrements</i>			2,000
<i>Furniture and Sundries</i>			200
<i>Ammunition</i>			13,200
Total carried to Summary			18,250
<i>Credit.</i>			
Value of Stores issued			13,500
Total carried to Summary			Cr. 13,500

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

POLICE FORCE.							Tls.	Tls.	Tls.
<i>Pay and Allowances.</i>									
<i>Foreign Branch.</i>									
<i>Pay.</i>									
Captain Superintendent	...	...	...	...	...	...		12,000	
Deputy Superintendent	...	...	...	...	...	...		9,000	
3 Assistant Superintendents	...	...	...	...	...	...		20,100	
2 Cadets	...	...	...	...	...	...		5,040	
Chief Detective Officer	...	...	...	...	...	...		5,580	
Legal Assistant	...	...	...	...	...	...		6,600	
7 Chief Inspectors	...	...	...	...	...	...		22,500	
Chief Detective Inspector	...	...	...	...	...	...		4,800	
11 Inspectors	...	...	...	...	...	...		13,620	
5 Detective Inspectors	...	...	...	...	...	...		25,200	
Head Gaoler	...	...	...	...	...	...		8,300	
11 Sub-Inspectors	...	...	...	...	...	...		19,320	
4 Detective Sub-Inspectors	...	...	...	...	...	...		8,460	
Sergeant Major	...	...	...	...	...	...		1,680	
Assistant Gaoler	...	...	...	...	...	...		2,220	
96 Sergeants	...	...	...	...	...	...		135,600	
20 Detective Sergeants	...	...	...	...	...	...		32,800	
4 Senior Warders	...	...	...	...	...	...		7,140	
35 Constables (authorised strength 105)	...	...	...	...	...	...	34,800		
<i>Less—Promotions: already included under the pay of</i>									
higher ranks	...	...	...	...	...	...	18,740		
Resignations	...	...	...	...	...	...	3,500		
							22,240		
4 Detective Constables	...	...	...	...	...	...		12,560	
13 Warders	...	...	...	...	...	...		5,420	
Chief Clerk	...	...	...	...	...	...		17,360	
Printer	...	...	...	...	...	...		2,100	
Stenographer	...	...	...	...	...	...		1,680	
								1,330	
<i>Less—On War Service...</i>									
								375,410	
								66,240	
Temporary Bonus	...	...	...	...	...	...		309,170	
Language Bonus	...	...	...	...	...	...		36,000	
Allowances,	...	...	...	...	...	...		24,000	
Mixed Court	...	...	...	...	...	...	3,600		
Stenographer	...	...	...	...	...	...	240		
							3,840		
<i>Japanese Branch.</i>									373,010
<i>Pay.</i>									
1 Inspector	...	...	...	...	...	...		1,320	
2 Sergeants	...	...	...	...	...	...		1,580	
27 Constables	...	...	...	...	...	...		14,800	
4 Interpreters	...	...	...	...	...	...		3,840	
								21,540	
Deferred Pay	...	...	...	...	...	...		1,400	
Language Bonus	...	...	...	...	...	...		200	
								23,140	
<i>Sikh Branch.</i>									
<i>Pay.</i>									
2 Jemadars	...	...	...	...	...	...		1,620	
2 Havildar Majors	...	...	...	...	...	...		610	
Head Warder	...	...	...	...	...	...		410	
50 Havildars	...	...	...	...	...	...		12,400	
14 Havildar Warders	...	...	...	...	...	...		3,540	
415 Constables	...	...	...	...	...	...		64,000	
161 Warders	...	...	...	...	...	...		22,500	
3 Granthis	...	...	...	...	...	...		440	
19 Cooks	...	...	...	...	...	...		3,210	
								108,730	
Deferred Pay	...	...	...	...	...	...		14,000	
Language Bonus	...	...	...	...	...	...		6,000	
Allowances,	...	...	...	...	...	...			
Rent	...	...	...	...	...	...	4,000		
Drill	...	...	...	...	...	...	100		
Traffic	...	...	...	...	...	...	740		
							4,840		
								133,570	
<i>Carried forward</i>									529,720

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

								Tls.	Tls.	Tls.
<i>Brought forward</i>										529,720
POLICE FORCE—continued.										
<i>Chinese Branch.</i>										
<i>Pay.</i>										
93 Sergeants	...	...	...	...	...	...	...	15,300		
14 Detective Sergeants	...	...	...	...	...	...	...	4,340		
1283 Constables	...	...	...	...	...	...	...	150,000		
82 Detective Constables	...	...	...	...	...	...	...	16,000		
33 Clerks and Writers	...	...	...	...	...	...	...	18,240		
10 Teachers	...	...	...	...	...	...	...	3,550		
24 Interpreters	...	...	...	...	...	...	...	9,200		
Artificers	...	...	...	...	...	...	...	1,230		
Guarantor Checker	...	...	...	...	...	...	...	175		
86 Messengers and Coolies	...	...	...	...	...	...	...	6,350		
27 Wharf Watchmen	...	...	...	...	...	...	...	3,200		
<i>Language Bonus</i>								227,585		
								270		
<i>Allowances.</i>										
Gatemen	...	...	...	...	...	...	...	150		
Drill and Traffic	...	...	...	...	...	...	...	680		
Merit	...	...	...	...	...	...	...	445		
								1,275		
									229,130	
<i>Superannuation</i>	...	...	...	...	...	...	...	40,100		
<i>Passages</i>	...	...	...	...	...	...	...	10,000		
<i>Recruiting Expenses</i>	...	...	...	...	...	...	...	500		
<i>Uniform and Equipment</i>	...	...	...	...	...	...	...	70,000		
<i>Locomotion</i>	...	...	...	...	...	...	...	24,400		
<i>Medical Aid.</i>										
Pay of Sikh Assistant	...	...	...	...	...	...	...	700		
Medicines	...	...	...	...	...	...	...	1,000		
Hospital Charges	...	...	...	...	...	...	...	8,500		
									10,200	
<i>Patrol Ponies.</i>										
Pay of Mafoos	...	...	...	...	...	...	...	1,700		
Fodder, Shoeing, Clipping, etc.	...	...	...	...	...	...	...	3,900		
Repairs to Saddlery	...	...	...	...	...	...	...	200		
									5,800	
<i>Fuel</i>	...	...	...	...	...	...	...		47,500	
<i>Light—General</i>	...	...	...	...	...	...	...	18,550		
Oil for Police lamps	...	...	...	...	...	...	...	1,250		
									19,800	
<i>Water</i>	...	...	...	...	...	...	...	4,300		
<i>Printing, Stationery, etc.</i>	...	...	...	...	...	...	...	9,000		
<i>Insurance</i>	...	...	...	...	...	...	...	3,080		
<i>Telephone Service</i>	...	...	...	...	...	...	...	4,750		
<i>Funeral Expenses</i>	...	...	...	...	...	...	...	500		
<i>Expenses of Prisoners.</i>										
Food	...	...	...	...	...	...	...	36,000		
Clothing	...	...	...	...	...	...	...	8,500		
Photographs	...	...	...	...	...	...	...	620		
Miscellaneous	...	...	...	...	...	...	...	4,080		
									49,200	
<i>Carried forward</i>								299,130		
									758,850	

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
<i>Brought forward</i>		299,130	758,850
POLICE FORCE—continued.			
<i>Expenses of catching Stray Dogs</i>		2,580	
<i>Maintenance and Repairs.</i>			
Furniture, etc.	13,880		
Arms	400	14,280	
<i>Gratuities and Rewards...</i>		2,000	
<i>Musketry Course</i>		7,200	
<i>Legal Expenses...</i>		500	
<i>Mixed Court.</i>			
Pay of Court Officials	18,500		
Pay and Expenses of Police	37,060		
Grant to Sinza Refuge	500		
Sundry Expenses	11,490	67,550	
<i>Police Recreation Fund</i>		1,000	
<i>Miscellaneous</i>		5,000	
			899,240
<i>Less—Mixed Court Fines</i>		35,000	1,158,090
" Filing and Hearing Fees		16,000	
" Pay and Expenses of Police transferred		37,060	
Convict Labour " " "		4,520	
Receipts for Special Services		30,000	
Proceeds from sale of Unclaimed Property		750	
Dog Redemption Fees		1,800	
			125,130
Total carried to Summary			1,032,960
STOCK AND STORES.			
<i>Furniture and Sundries</i>		6,400	
<i>for Mixed Court</i>		1,000	
<i>Fire Hose</i>		720	
<i>Motor Launch</i>		7,000	
<i>1 Motor Ambulance Body</i>		600	
<i>14 Bicycles</i>		1,120	
<i>100 Automatic Pistols</i>		2,500	
<i>Uniform and Equipment...</i>		64,000	
<i>Miscellaneous</i>		1,000	
Total carried to Summary		84,340	
<i>Credit</i>			
Value of Stores issued		68,000	
Total carried to Summary			Cr. 68,000

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

HEALTH DEPARTMENT.						Tls.	Tls.	Tls.
HEALTH OFFICE.								
GENERAL.								
<i>Pay.</i>								
Foreigners								
<i>Pay.</i>								
Health Officer ...	...	...	...	...	...	15,000		
2 Assistant Health Officers ...	...	...	...	...	...	18,000		
2 Assistants ...	...	...	...	...	...	7,800		
4 Chief Inspectors ...	...	...	...	...	...	17,000		
24 Inspectors ...	...	...	...	...	...	51,100		
Sanitary Overseers ...	...	...	...	...	...	3,060		
Japanese Interpreter ...	...	...	...	...	...	960		
						112,920		
<i>Less—On War Service</i> ...	...	...	...	...	...	17,820		
							95,100	
Temporary Bonus ...	...	...	...	...	...		10,200	
Language Bonus ...	...	...	...	...	...		4,000	
Chinese.—Pay.								
23 Foremen ...	...	...	...	...	...	3,500		
370 House Refuse Coolies ...	...	...	...	...	...	25,700		
Disinfectors, Market Coolies, Office Staff, etc. ...	...	...	...	...	...	14,000		
Special Police Services ...	...	...	...	...	...	2,600		
							45,800	
							155,100	
<i>Superannuation</i> ...	...	...	...	...	...		9,760	
<i>Passages</i> ...	...	...	...	...	...		2,550	
<i>Locomotion</i> ...	...	...	...	...	...		4,000	
<i>Fuel</i> ...	...	...	...	...	...		2,000	
<i>Light</i> ...	...	...	...	...	...		850	
<i>Water</i> ...	...	...	...	...	...		3,250	
<i>Printing, Stationery, etc.</i> ...	...	...	...	...	...		1,250	
<i>Insurance</i> ...	...	...	...	...	...		1,360	
<i>Telephone Service</i> ...	...	...	...	...	...		850	
<i>Notification of Infectious Disease</i> ...	...	...	...	...	...		500	
<i>Laboratory Apparatus, Animals and Chemicals</i> ...	...	...	...	...	...		8,000	
<i>Disinfection</i> ...	...	...	...	...	...		4,000	
<i>Sanitary Apparatus and Materials</i> ...	...	...	...	...	...		3,500	
<i>House Refuse Disposal</i> ...	...	...	...	...	...		6,500	
<i>Maintenance and Repairs</i> ...	...	...	...	...	...		500	
<i>Rent of Sub-district Offices</i> ...	...	...	...	...	...		2,500	
<i>Removal of Cesspool Contents</i> ...	...	...	...	...	...		500	
<i>Working expenses of Vacuum Tank Wagons</i> ...	...	...	...	...	...		500	
<i>Miscellaneous</i> ...	...	...	...	...	...		500	
								207,970
PLAGUE PREVENTION.								
<i>Pay of Chinese Staff.</i>								
Rat Coolies								
Rat Proofers								
Transport Coolies								
Sanitary Apparatus and Materials								
Laboratory Apparatus, Animals and Chemicals								
Disinfection								
Rat-proofing Materials, etc.								
Miscellaneous								
Mosquito EXTERMINATION.								
<i>Pay of Chinese Staff.</i>								
Coolies ...	...	...	...	...	...	3,000		
Sanitary Apparatus and Materials, etc. ...	...	...	...	...	...	5,000		
							8,000	
								230,970
<i>Less—Receipts from Laboratory</i> ...	...	...	...	...	...	25,000		
Contribution from French Municipal Council to Laboratory ...	...	...	...	...	...	1,000		
Slaughterhouse Fees ...	...	...	...	...	...	14,000		
Ordure Disposal ...	...	...	...	...	...	133,200		
							173,200	
Total carried to Summary ...								57,770

MUNICIPAL BUDGET 1918—*continued.*ORDINARY EXPENDITURE—*continued.*

	Tls.	Tls.	Tls.
HEALTH DEPARTMENT—<i>continued.</i>			
HOSPITALS.			
VICTORIA NURSING HOME.			
<i>Pay and Sundry Expenses of Nursing Staff</i>	31,290		
<i>Pay of Chinese Staff</i>	5,000		
		36,290	
<i>Locomotion</i>		700	
<i>Fuel</i>		11,000	
<i>Light</i>		2,370	
<i>Water</i>		1,300	
<i>Printing, Stationery, etc.</i>		300	
<i>Insurance</i>		520	
<i>Telephone Service</i>		275	
<i>Drugs and Instruments</i>		5,500	
<i>Messing</i>		23,000	
<i>Washing</i>		3,500	
<i>Maintenance and Repairs</i>		5,000	
<i>Miscellaneous</i>		750	
		90,505	
<i>Less—Fees from Patients</i>		45,000	
			45,505
ISOLATION HOSPITAL.			
<i>Pay and Sundry Expenses of Nursing Staff</i>	13,615		
<i>Pay of Chinese Staff</i>	2,500		
		16,115	
<i>Fuel</i>		3,500	
<i>Light</i>		1,500	
<i>Water</i>		500	
<i>Printing, Stationery, etc.</i>		200	
<i>Insurance</i>		400	
<i>Telephone Service</i>		300	
<i>Drugs, Instruments and Disinfectants</i>		1,300	
<i>Messing</i>		7,500	
<i>Washing</i>		1,100	
<i>Maintenance and Repairs</i>		3,000	
<i>Miscellaneous</i>		750	
		36,165	
<i>Less—Receipts from Patients...</i>		3,000	
			33,165
ISOLATION HOSPITAL FOR CHINESE.			
<i>Pay and Sundry Expenses of Nursing Staff</i>	1,840		
<i>Pay of Chinese Staff</i>	2,250		
		4,090	
<i>Fuel</i>		700	
<i>Light</i>		300	
<i>Water</i>		150	
<i>Printing, Stationery, etc.</i>		100	
<i>Insurance</i>		75	
<i>Telephone Service</i>		55	
<i>Drugs, Instruments and Disinfectants</i>		1,000	
<i>Messing</i>		3,100	
<i>Washing</i>		500	
<i>Maintenance and Repairs</i>		1,000	
<i>Miscellaneous</i>		100	
		11,170	
<i>Less—Receipts from Patients</i>	2,500		
Registration Fees, etc.	2,600		
Contribution from French Municipal Council	600		
		5,700	
			5,470
<i>Carried forward</i>			84,140

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
<i>Brought forward</i>			84,140
HEALTH DEPARTMENT.—continued.			
HOSPITALS.—continued.			
POLICE HOSPITAL (SIKHS).			
<i>Pay and Sundry Expenses of Nursing Staff</i>	1,830		
<i>Pay of Chinese Staff</i>	500	2,330	
<i>Fuel</i>		500	
<i>Light</i>		175	
<i>Water</i>		50	
<i>Printing, Stationery, etc.</i>		50	
<i>Insurance</i>		35	
<i>Telephone Service</i>		25	
<i>Drugs and Instruments</i>		750	
<i>Messing</i>		1,500	
<i>Washing</i>		150	
<i>Maintenance and Repairs</i>		550	
<i>Miscellaneous</i>		50	
		6,165	
<i>Less—Fees from Patients</i>		5,000	1,165
POLICE HOSPITAL (CHINESE).			
<i>Pay and Sundry Expenses of Nursing Staff</i>	1,830		
<i>Pay of Chinese Staff</i>	4,000	5,830	
<i>Fuel</i>		700	
<i>Light</i>		250	
<i>Water</i>		50	
<i>Printing, Stationery, etc.</i>		50	
<i>Insurance</i>		50	
<i>Telephone Service</i>		25	
<i>Drugs and Instruments</i>		1,300	
<i>Messing</i>		1,750	
<i>Washing</i>		230	
<i>Maintenance and Repairs</i>		500	
<i>Miscellaneous</i>		300	
		11,035	
<i>Less—Fees from Patients</i>		6,000	5,035
SANATORIUM.			
<i>Pay and Sundry Expenses of Nursing Staff</i>	1,895		
<i>Pay of Chinese Staff</i>	1,000	2,895	
<i>Locomotion</i>		200	
<i>Fuel</i>		230	
<i>Light</i>		100	
<i>Printing, Stationery, etc.</i>		50	
<i>Insurance</i>		30	
<i>Drugs, Instruments and Disinfectants</i>		100	
<i>Messing</i>		5,000	
<i>Washing</i>		350	
<i>Maintenance and Repairs</i>		1,250	
<i>Miscellaneous</i>		300	
		10,505	
<i>Less—Receipts from Visitors...</i>		3,500	7,005
<i>Carried forward</i>			97,345

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
<i>Brought forward</i>			97,345
HEALTH DEPARTMENT—continued.			
HOSPITALS—continued.			
PRIVATE NURSING SERVICE.			
<i>Pay and Sundry Expenses of Superintendent</i>	1,525		
<i>Pay of Chinese Staff</i>	490		
		2,015	
<i>Fuel</i>		750	
<i>Light</i>		130	
<i>Water</i>		50	
<i>Printing, Stationery, etc.</i>		50	
<i>Insurance</i>		25	
<i>Telephone Service</i>		65	
<i>Messing</i>		1,500	
<i>Washing</i>		200	
<i>Maintenance and Repairs</i>		100	
<i>Miscellaneous</i>		75	
		4,960	
<i>Less—Receipts from Co-operation Nurses :—</i>			
<i>Percentage on fees earned</i>	500		
<i>Board and Lodging charges</i>	1,300		
<i>Assessed value of Board of Municipal Nurses</i>	500		
		2,300	
			2,660
Total carried to Summary			<u>100,005</u>

DETAILS OF PAY AND SUNDRY EXPENSES OF NURSING STAFF.

<i>Pay.</i>		Tls. 6,800
5 <i>Matrons</i>		21,450
34 <i>Nurses</i>		2,000
6 <i>Probationer Nurses</i>		900
1 <i>Hosackkeeper</i>		2,160
2 <i>Attendants</i>		1,080
<i>Custodian</i>		
	34,890	
<i>Temporary Bonus</i>	3,270	
<i>Sundry Expenses.</i>		
<i>Superannuation</i>	5,570	
<i>Passages</i>	6,500	
<i>Uniform</i>	1,000	
<i>Language Bonus</i>	570	
<i>Expenses of Engaging Staff</i>	1,000	
	14,640	
		Tls. 52,300

Allocated to the various hospitals as under :—

<i>Victoria Nursing Home</i>	31,290
<i>Isolation Hospital</i>	13,615
<i>Isolation Hospital for Chinese</i>	1,840
<i>Police Hospital (Sikhs)</i>	1,830
" (Chinese)	1,830
<i>Sanatorium</i>	1,895
	<u>Tls. 52,300</u>

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

										Tls.	Tls.	Tls.
HEALTH DEPARTMENT—continued.												
CEMETERIES, CREMATORIUM AND PUBLIC MORTUARY.												
<i>Pay</i>												
Foreigners.												
Part Service of Inspector										360		
" " Custodian of Isolation Hospital... ..										240		
											600	
Temporary Bonus											75	
Chinese											3,000	
												3,675
Superannuation... ..											60	
Grave Contractor, etc.											3,500	
Fuel											450	
Insurance											75	
Telephone Service											55	
Maintenance and Repairs											200	
Miscellaneous											200	
												4,540
												8,215
Less—Fees for Cremation											1,000	
" Grave making											4,000	
" Grave Spaces											3,000	
" Reservation											650	
												8,650
Total carried to Summary												Cr. 435
SWIMMING BATH.												
<i>Pay</i>												
Foreigners.												
Part Service of Inspector											180	
Temporary Bonus											20	
Chinese											240	
												440
Superannuation... ..											20	
Light											150	
Water											600	
Insurance											40	
Miscellaneous											75	
												865
Less—Receipts from Bathers... ..												1,305
												800
Total carried to Summary												505
EXTRA-DEPARTMENTAL.												
<i>Medical Attendance.</i>												
Municipal Surgeons											8,000	
Attendance on Families											2,400	
												10,400
<i>Port Health Work.—Contribution to maintenance of Customs Quarantine</i>												
Station... ..												6,000
<i>Grant to General Hospital</i>											23,000	
" " <i>Shantung Road Hospital</i>											5,000	
" " <i>St. Luke's Hospital</i>											5,000	
" " <i>Paulun Hospital</i>											2,000	
												35,000
Total carried to Summary												51,400
STOCK AND STORES.												
2 Steam Vacuum Tank Wagons												14,000
2 Motor Ambulances												5,500
1 Motor Car												2,300
Laboratory and Sanitary Apparatus												1,000
Office Furniture												550
Hospital Fittings and Furniture												13,000
Furniture for Sanatorium												2,000
Total carried to Summary												38,350

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

						Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT.								
GENERAL.								
<i>Pay</i>								
Foreigners:								
Engineer and Surveyor ...	...	...	...	...	...		12,960	
Deputy Engineer and Surveyor ...	...	...	...	...	...		8,400	
2 Assistant Engineers ...	...	...	...	...	...		10,980	
3 Second Assistant Engineers ...	...	...	...	...	...		9,000	
3 Engineering Assistants ...	...	...	...	...	...		10,550	
Chief Architectural Assistant ...	...	...	...	...	...		7,200	
2 Architectural Assistants ...	...	...	...	...	...		8,550	
Chief Surveying Assistant ...	...	...	...	...	...		7,000	
11 Surveying Assistants ...	...	...	...	...	...		40,650	
Chief Clerk ...	...	...	...	...	...		5,100	
8 Clerical Assistants ...	...	...	...	...	...		22,940	
Building Surveyor ...	...	...	...	...	...		6,000	
5 Clerks of Works ...	...	...	...	...	...		20,830	
15 Inspectors ...	...	...	...	...	...		36,960	
7 Assistant Inspectors ...	...	...	...	...	...		12,300	
Custodian of Town Hall ...	...	...	...	...	...		1,980	
							221,400	
<i>Less—On War Service</i> ...	...	...	...	...	...		34,920	
							186,480	
Temporary Bonus ...	...	...	...	...	...		22,100	
Consulting Engineer ...	...	...	...	...	...		850	
Language Bonus ...	...	...	...	...	...		1,500	
Chinese.								
Survey Staff ...	...	...	...	...	...	7,730		
Draftsmen, Tracers, etc. ...	...	...	...	...	...	11,350		
Writers ...	...	...	...	...	...	5,650		
Storekeepers ...	...	...	...	...	...	630		
Office Boys, Messengers and Coolies ...	...	...	...	...	...	2,250		
Chinese Tuition ...	...	...	...	...	...	700		
							26,310	237,240
<i>Superannuation</i> ...	...	...	...	...	...		17,500	
<i>Passages</i> ...	...	...	...	...	...		1,500	
<i>Medical Aid</i> ...	...	...	...	...	...		300	
<i>Locomotion</i> ...	...	...	...	...	...		13,500	
<i>Fuel</i> ...	...	...	...	...	...		1,500	
<i>Light</i> ...	...	...	...	...	...		980	
<i>Water</i> ...	...	...	...	...	...		75	
<i>Printing, Stationery, etc.</i> ...	...	...	...	...	...		3,500	
<i>Insurance</i> ...	...	...	...	...	...		165	
<i>Telephone Service</i> ...	...	...	...	...	...		1,650	
<i>Drawing Materials and Plans</i> ...	...	...	...	...	...		3,000	
<i>Surveying Materials</i> ...	...	...	...	...	...		500	
<i>Miscellaneous</i> ...	...	...	...	...	...		450	
								44,590
								281,830
<i>Less—Building Permit Fees</i> ...	...	...	...	...	...		3,500	
Private Works Supervision Fees ...	...	...	...	...	...		16,000	
Miscellaneous Permit Fees ...	...	...	...	...	...		6,500	
Sale of Plans and Tracings ...	...	...	...	...	...		1,000	
Charged to Industrial Undertakings, etc. ...	...	...	...	...	...		22,700	
								49,700
Total carried to Summary ...	...	...	...	...	...			232,130

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT—continued.			
BUILDINGS.			
<i>Upkeep and General Repairs to Buildings and Compounds :—</i>			
Volunteer Corps			1,180
Fire Brigade			4,410
Police Force :—			
Stations and Quarters		25,810	
Gaol		7,700	
Mixed Court		2,020	
			35,530
Health Department :—			
Health Office, Quarters, Markets, etc.		7,090	
Victoria Nursing Home		3,940	
Mental Ward		560	
Maternity Ward		750	
Nurses' Quarters		1,300	
Private Nursing Association		200	
Isolation Hospital		5,240	
Isolation Hospital for Chinese		2,280	
Police Hospital (Sikhs)		520	
Police Hospital (Chinese)		560	
Mokanshan Sanatorium		500	
Cemeteries		1,000	
Public Swimming Bath		1,520	
			25,460
Public Works Department :—			
Offices		520	
Town Hall		5,300	
Depôts, Godowns, Quarters, etc.		5,680	
			11,500
Parks and Open Spaces			500
Educational Department :—			
Public School for Boys		1,520	
Public School for Girls		2,400	
Thomas Haubury School for Boys		2,740	
Girls		1,470	
Public School for Chinese		2,250	
Ellis Kadoorie Public School for Chinese		1,000	
Nieh Chih Kuei " "		1,600	
Polytechnic " "		430	
			13,410
Finance Department			290
Secretariat			340
Total carried to Summary			92,620
CREEKS AND RIVER.			
<i>Repairs and Renewals to :—</i>			
Bridges		29,840	
Bindings		18,590	
Jetties and Pontoons		6,270	
			54,700
<i>Dredging and Cleaning Creeks and Ditches</i>			13,900
<i>Less.</i>			
Receipts for hire of Dredger			68,600
			500
Total carried to Summary			68,100
DRAINAGE.			
<i>Reconstructing Sewers in :—</i>			
Kiukiang Road from Honan to Thibet Road		8,600	
Honan Road from Nanking to Tientsin Road and from Ningpo to Soochow Road		9,500	
Haskell Road		2,200	
			20,300
<i>Maintenance of Sewers</i>			10,600
Total carried to Summary			80,960

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT—continued.			
ROADS.			
MAINTENANCE OF ROADS AND FOOTWAYS.			
<i>Pay.</i>			
Chinese.			
Metalling Labour		57,500	
Locomotion		650	
Insurance		1,140	
<i>Materials:—</i>			
Granite chips, broken stone, sand, cement, etc.		150,000	
<i>Haulage:—</i>			
Stud, carts, wheelbarrows and boats	21,000		
Maintenance of carts and harness	2,400		
		23,400	
<i>Tools, renewals and repairs</i>		13,500	
<i>Boundary Stones</i>		150	
<i>Street Name-plates</i>		1,000	
<i>Working Expenses of Steam Rollers</i>		11,770	
<i>Chinese Government Land Tax</i>		330	
<i>Raking and Repairing Mud Roads</i>		16,000	
<i>Roadside Railings</i>		1,200	
<i>Miscellaneous</i>		300	
		276,940	
<i>Less—</i>			
Refund from Tramway Co. for maintenance of macadam track surface		16,500	
			260,440
CLEANSING AND WATERING ROADS.			
<i>Pay.</i>			
Foreigners.			
Overseers ... *	3,720		
Temporary Bonus	510		
		4,230	
Chinese.			
Cleansing Labour		24,000	
		28,230	
<i>Superannuation</i>		570	
<i>Locomotion</i>		500	
<i>Insurance</i>		600	
<i>Medical Aid</i>		100	
<i>Materials.</i>			
Water	15,000		
Gritting Wood Paving	700		
		15,700	
<i>Haulage:—</i>			
Stud	43,400		
Working expenses of steam water wagon	1,200		
Maintenance of carts and harness	8,500		
Barging away road detritus	3,300		
		56,400	
<i>Tools, renewals and repairs</i>		4,200	
		106,200	
<i>Miscellaneous</i>		100	
		2,200	
<i>Less—</i> Refund by Tramway Co. for cleaning rail grooves			104,000
Total carried to Summary			364,440

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
PUBLIC WORKS DEPARTMENT—continued.			
LIGHTING.			
Electricity			99,400
Gas			33,200
Extensions.			
Electricity and Gas			3,000
Total carried to Summary			135,600
PARKS AND OPEN SPACES.			
<i>Pay.</i>			
Foreigners.			
Superintendent	4,800		
Assistant Superintendent	2,640		
Park-keeper	1,940		
Indian Watchmen	800		
Temporary Bonus		10,180	
		1,640	
Chinese.			
Writer, Foremen, Gardeners, etc.	5,500		
Labour	13,000		
		18,500	
			30,320
Superannuation		940	
Locomotion		800	
Haulage		1,200	
Fuel		1,600	
Lighting Gardens		1,760	
Water		650	
Printing and Stationery		160	
Insurance		250	
Telephone Service		170	
Tools, renewals and repairs		1,100	
Working Expenses of Motor Lawn Mowers		500	
Chinese Government Land Tax		1,000	
Painting and Repairs		3,000	
Trees, Shrubs, Seeds and Turf		1,500	
Mud, Sand, Gravel and Manure		1,500	
Poles, Stakes, Flower Pots, etc.		3,000	
Matsheds and Fences		1,300	
Miscellaneous		1,350	
			21,780
			52,100
Less—Receipts for Hire of Chairs, etc.			500
Total carried to Summary			51,600
STOCK AND STORES.			
Tar Macadam Plant			1,800
Steel Sheet Piles			5,000
Motor Wagon			3,000
Surveying Instruments			750
Garden Seats			250
Furniture and Sundries			1,000
Road Materials, etc.			260,000
Total carried to Summary			271,800
<i>Credit.</i>			
Value of Stores issued			235,000
Total carried to Summary			Cr. 235,000

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

								Tls.	Tls.	Tls.
PUBLIC BAND.										
Pay.										
Europeans.										
Conductor	...	...	...	...	...	...	...	6,480		
8 Musicians	...	...	...	...	...	...	...	15,850		
									22,330	
Manilamen.										
24 Musicians	...	...	...	...	...	...	...		21,250	
Temporary Bonus	...	...	...	...	...	...	...	6,260		
Private Services	...	...	...	...	...	...	...	3,600		
Chinese.										
Librarian and Coolies	...	...	...	...	...	...	...		300	
										53,740
Superannuation...	...	...	...	...	...	...	...		4,340	
Passages	...	...	...	...	...	...	...		150	
Medical Aid	...	...	...	...	...	...	...		100	
Locomotion	...	...	...	...	...	...	...		400	
Uniform	...	...	...	...	...	...	...		700	
Printing, Stationery, etc.	...	...	...	...	...	...	...		300	
New Music	...	...	...	...	...	...	...		450	
Repairs to Instruments	...	...	...	...	...	...	...		250	
Insurance	...	...	...	...	...	...	...		20	
Telephone Service	...	...	...	...	...	...	...		100	
Miscellaneous	...	...	...	...	...	...	...		125	
										6,935
Less—Contribution from French Municipal Council	...	...	...	...	...	...	...	1,500		60,675
Receipts for Private Services	...	...	...	...	...	...	...	5,000		
										6,500
Total carried to Summary	...	...	...	...	...	...	...			54,175
PUBLIC LIBRARY.										
Pay.										
Foreigners.										
Librarian	...	...	...	...	...	...	...		1,440	
Temporary Bonus	...	...	...	...	...	...	...		145	
Chinese	...	...	...	...	...	...	...		630	
										2,215
Superannuation...	...	...	...	...	...	...	...		145	
Fuel	...	...	...	...	...	...	...		90	
Light	...	...	...	...	...	...	...		150	
Insurance	...	...	...	...	...	...	...		30	
Telephone Service	...	...	...	...	...	...	...		50	
Printing, Stationery, etc.	...	...	...	...	...	...	...		150	
Books	...	...	...	...	...	...	...		800	
Papers and Magazines	...	...	...	...	...	...	...		450	
Maintenance and Repairs	...	...	...	...	...	...	...		50	
Miscellaneous	...	...	...	...	...	...	...		50	
										1,965
Less—Subscriptions, etc.	...	...	...	...	...	...	...		4,180	
										1,350
Total carried to Summary	...	...	...	...	...	...	...			2,830

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

EDUCATIONAL DEPARTMENT.										Tls.	Tls.	Tls.
PUBLIC SCHOOL FOR BOYS.												
<i>Pay.</i>												
<i>Foreigners.</i>												
Headmaster	...	...	...	...	...	...	...	...	...	9,100		
6 Assistant Masters	...	...	...	...	...	...	...	...	...	18,310		
4 Assistant Mistresses	...	...	...	...	...	...	...	...	...	9,650		
<i>Temporary Bonus</i>												
Chinese	...	...	...	...	...	...	...	...	...		37,060	
											4,470	
											1,700	
<i>Superannuation</i>											3,200	
<i>Passages</i>											800	
<i>Expenses of Engaging Staff</i>											100	
<i>Medical Aid</i>											100	
<i>Fuel</i>											1,100	
<i>Light</i>											140	
<i>Printing, Stationery, Exercise Books, etc.</i>											1,350	
<i>Insurance</i>											200	
<i>Telephone Service</i>											130	
<i>Laboratory</i>											475	
<i>Text Books</i>											1,340	
<i>Form Prizes</i>											200	
<i>Maintenance and Repairs</i>											350	
<i>Miscellaneous</i>											400	
												9,885
<i>Less—School Fees</i>											11,000	
<i>Sale of Text Books</i>											1,250	
												12,250
Total carried to Summary												40,865
STOCK AND STORES.												
<i>Furniture and Sundries</i>												740
Total carried to Summary												740
PUBLIC SCHOOLS FOR GIRLS.												
<i>Pay.</i>												
<i>Foreigners.</i>												
Headmistress	...	...	...	...	...	...	...	...	...	4,800		
21 Assistant Mistresses	...	...	...	...	...	...	...	...	...	34,780		
2 Student Mistresses	...	...	...	...	...	...	...	...	...	1,190		
<i>Temporary Bonus</i>												
Chinese	...	...	...	...	...	...	...	...	...		40,770	
											4,300	
											1,430	
<i>Superannuation</i>											3,580	
<i>Passages</i>											1,720	
<i>Expenses of Engaging Staff</i>											200	
<i>Medical Aid</i>											100	
<i>Fuel</i>											550	
<i>Light</i>											240	
<i>Printing, Stationery, Exercise Books, etc.</i>											700	
<i>Insurance</i>											170	
<i>Telephone Service</i>											180	
<i>Text Books</i>											700	
<i>Kindergarten Materials, etc.</i>											180	
<i>Form Prizes</i>											200	
<i>Maintenance and Repairs</i>											500	
<i>Miscellaneous</i>											560	
												9,290
<i>Less—School Fees</i>											18,000	
<i>Sale of Text Books</i>											450	
												18,450
Total carried to Summary												37,340
STOCK AND STORES.												
<i>Furniture and Sundries</i>												800
Total carried to Summary												800

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued.

EDUCATIONAL DEPARTMENT—continued. THOMAS HANBURY SCHOOL FOR BOYS.						Tls.	Tls.	Tls.
<i>Pay.</i>								
Foreigners						5,140		
Headmaster	...	...	...	...	...	8,200		
4 Assistant Masters	...	...	...	...	...	11,520		
7 Assistant Mistresses	...	...	...	...	...	1,440		
2 Matrons	...	...	...	...	...			
						26,300		
						2,580		
<i>Less—On War Service</i>	...	...	...	...	...		28,720	
							2,850	
Temporary Bonus	...	...	...	...	...		2,200	
Chinese	...	...	...	...	...			28,770
<i>Superannuation</i>	...	...	...	...	...		1,450 ^a	
Medical Aid	...	...	...	...	...		800	
Fuel	...	...	...	...	...		3,280	
Light	...	...	...	...	...		600	
Water	...	...	...	...	...		75	
Printing, Stationery, Exercise Books, etc.	...	...	...	...	...		700	
Insurance	...	...	...	...	...		230	
Telephone Service	...	...	...	...	...		140	
Text Books	...	...	...	...	...		400	
Form Prizes	...	...	...	...	...		50	
Messing	...	...	...	...	...		4,000	
Clothing	...	...	...	...	...		1,200	
Washing	...	...	...	...	...		650	
Maintenance and Repairs	...	...	...	...	...		650	
Miscellaneous	...	...	...	...	...		550	
								14,775
<i>Less—School Fees</i>	...	...	...	...	...		10,725	
Sale of Text Books, Clothing, etc.	...	...	...	...	...		1,200	
								11,925
Total carried to Summary	...	...	...	...	...			31,620
STOCK AND STORES.								
Furniture and Sundries	...	...	...	...	...			700
Fire Hose and Fittings	...	...	...	...	...			1,300
Total carried to Summary	...	...	...	...	...			2,000
THOMAS HANBURY SCHOOL FOR GIRLS.								
<i>Pay.</i>								
Foreigners						3,220		
Headmistress	...	...	...	...	...	11,360		
9 Assistant Mistresses	...	...	...	...	...	2,530		
3 Matrons	...	...	...	...	...			
							17,110	
Temporary Bonus	...	...	...	...	...		1,750	
Chinese	...	...	...	...	...		1,550	
								20,410
<i>Superannuation</i>	...	...	...	...	...		2,150	
Passages	...	...	...	...	...		900	
Medical Aid	...	...	...	...	...		700	
Fuel	...	...	...	...	...		1,750	
Light	...	...	...	...	...		750	
Water	...	...	...	...	...		100	
Printing, Stationery, Exercise Books, etc.	...	...	...	...	...		650	
Insurance	...	...	...	...	...		125	
Telephone Service	...	...	...	...	...		40	
Text Books	...	...	...	...	...		250	
Kindergarten Materials, etc.	...	...	...	...	...		60	
Form Prizes	...	...	...	...	...		60	
Messing	...	...	...	...	...		5,500	
Clothing	...	...	...	...	...		1,500	
Washing	...	...	...	...	...		775	
Maintenance and Repairs	...	...	...	...	...		800	
Miscellaneous	...	...	...	...	...		500	
								16,610
<i>Less—School Fees</i>	...	...	...	...	...		8,000	
Sale of Text Books, Clothing, etc.	...	...	...	...	...		850	
								8,850
Total carried to Summary	...	...	...	...	...			28,170
STOCK AND STORES.								
Furniture and Sundries	...	...	...	...	...			600
Total carried to Summary	...	...	...	...	...			600

ORDINARY EXPENDITURE—continued.

EDUCATIONAL DEPARTMENT—continued.										Tls.	Tls.	Tls.
PUBLIC SCHOOL FOR CHINESE.												
<i>Pay.</i>												
<i>Foreigners.</i>												
Headmaster	...	...	...	...	...	...	...	...	...	7,200		
3 Assistant Masters	...	...	...	...	...	...	...	...	...	8,740		
4 Assistant Mistresses	...	...	...	...	...	...	...	...	...	6,360		
Normal School	...	...	...	...	...	...	...	...	...	1,340		
<i>Less—On War Service</i>										23,640		
										3,300		
<i>Temporary Bonus</i>											20,340	
											1,830	
<i>Chinese.</i>												
Teachers and Clerk	...	...	...	...	...	...	...	...	...	6,490		
Coolies and Watchmen	...	...	...	...	...	...	...	...	...	700		
											7,190	
<i>Superannuation...</i>											1,190	29,360
<i>Fuel</i>	...	...	...	...	...	...	...	...	...	175		
<i>Light</i>	...	...	...	...	...	...	...	...	...	150		
<i>Printing, Stationery, Exercise Books, etc.</i>	...	...	...	...	...	...	...	...	...	300		
<i>Insurance</i>	...	...	...	...	...	...	...	...	...	125		
<i>Telephone Service</i>	...	...	...	...	...	...	...	...	...	75		
<i>Text Books</i>	...	...	...	...	...	...	...	...	...	120		
<i>Form Prices</i>	...	...	...	...	...	...	...	...	...	75		
<i>Hongkong Local Examination Fees</i>	...	...	...	...	...	...	...	...	...	150		
<i>Maintenance and Repairs</i>	...	...	...	...	...	...	...	...	...	150		
<i>Miscellaneous</i>	...	...	...	...	...	...	...	...	...	850		
												2,860
<i>Less—School Fees</i>												32,220
												11,750
<i>Total carried to Summary</i>												20,470
STOCK AND STORES.												
<i>Furniture and Sundries</i>												500
<i>Total carried to Summary</i>												500
ELLIS KADOORIE PUBLIC SCHOOL FOR CHINESE.												
<i>Pay.</i>												
<i>Foreigners.</i>												
Headmaster	...	...	...	...	...	...	...	...	...	5,800		
2 Assistant Masters	...	...	...	...	...	...	...	...	...	6,250		
3 Assistant Mistresses	...	...	...	...	...	...	...	...	...	4,800		
<i>Less—On War Service</i>										16,850		
										3,300		
<i>Temporary Bonus</i>											13,550	
											1,210	
<i>Chinese.</i>												
Teachers and Clerk	...	...	...	...	...	...	...	...	...	5,490		
Coolies and Watchmen	...	...	...	...	...	...	...	...	...	580		
											6,070	
<i>Superannuation</i>											875	20,830
<i>Fuel</i>	...	...	...	...	...	...	...	...	...	200		
<i>Light</i>	...	...	...	...	...	...	...	...	...	30		
<i>Printing, Stationery, Exercise Books, etc.</i>	...	...	...	...	...	...	...	...	...	550		
<i>Insurance</i>	...	...	...	...	...	...	...	...	...	120		
<i>Telephone Service</i>	...	...	...	...	...	...	...	...	...	90		
<i>Text Books</i>	...	...	...	...	...	...	...	...	...	275		
<i>Maintenance and Repairs</i>	...	...	...	...	...	...	...	...	...	75		
<i>Miscellaneous</i>	...	...	...	...	...	...	...	...	...	200		
												2,415
<i>Less—School Fees</i>												23,245
<i>Sale of Text Books, etc.</i>											11,525	
											800	
<i>Total carried to Summary</i>												12,325
STOCK AND STORES.												10,92

ORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
EDUCATIONAL DEPARTMENT—continued.			
NIEH CHIH KUEI PUBLIC SCHOOL FOR CHINESE.			
<i>Pay.</i>			
Foreigners.			
Headmaster	4,800		
Assistant Master	3,300		
Assistant Mistress	1,980		
Manual Training Instructor	900		
Temporary Bonus		10,980	
		1,160	
Chinese.			
Teachers	2,920		
Coolies and Watchmen	560		
		3,480	
<i>Superannuation</i>		1,100	15,620
Fuel		480	
Light		50	
Printing, Stationery, Exercise Books, etc.		300	
Insurance		125	
Telephone Service		100	
Laboratory		75	
Text Books		250	
Maintenance and Repairs		50	
Library Grant		50	
Miscellaneous		250	
		2,830	
Less—School Fees		4,350	18,450
Sale of Text Books, etc.		350	
		4,700	
Total carried to Summary			13,750
STOCK AND STORES.			
Furniture and Sundries			440
Total carried to Summary			440
POLYTECHNIC PUBLIC SCHOOL FOR CHINESE.			
<i>Pay.</i>			
Foreigners.			
Acting Headmaster		4,140	
Temporary Bonus		860	
Chinese.			
Teachers	2,615		
Coolies	435		
		3,050	
<i>Superannuation</i>		415	7,550
Fuel		100	
Light		30	
Printing and Stationery		20	
Insurance		20	
Telephone Service		60	
Text Books		100	
Maintenance and Repairs		50	
Miscellaneous		250	
		1,225	
Less—School Fees		8,775	2,920
Total carried to Summary			5,855
STOCK AND STORES.			
Furniture and Sundries			600
Total carried to Summary			600
GRANTS IN AID.			
St. Joseph's Institute			3,000
St. Xavier's College			2,500
Shanghai Jewish School			1,000
Institution of the Holy Family			1,500
Total carried to Summary			8,000

ORDINARY EXPENDITURE—continued

FINANCE DEPARTMENT.										Tls.	Tls.	Tls.
TREASURER'S OFFICE.												
Pay.	Foreigners.											
	Treasurer	...	...	...	...	...	...	...	...	12,000		
	Deputy Treasurer	...	...	...	...	...	...	...	...	6,600		
	Assistant Treasurer	...	...	...	...	...	...	...	...	6,000		
	11 Assistants	...	...	...	...	...	...	...	...	39,600		
	Stenographer	...	...	...	...	...	...	...	...	1,350		
										65,550		
	Less—On War Service	...	...	...	...	...	...	...	...	16,380		
	Temporary Bonus	...	...	...	...	...	...	...	...		49,170	
											4,460	
	Chinese.											
	Chief Assistant	...	...	...	...	...	...	...	...	1,440		
	24 Assistants	...	...	...	...	...	...	...	...	13,150		
	Office Boys and Coolies	...	...	...	...	...	...	...	...	1,500		
											16,090	
											69,720	
	Superannuation	...	...	...	...	...	...	...	...		4,450	
	Passages	...	...	...	...	...	...	...	...		375	
	Fuel	...	...	...	...	...	...	...	...		200	
	Light	...	...	...	...	...	...	...	...		360	
	Insurance	...	...	...	...	...	...	...	...		25	
	Printing, Stationery, etc.	...	...	...	...	...	...	...	...		3,000	
	Telephone Service	...	...	...	...	...	...	...	...		440	
	Miscellaneous	...	...	...	...	...	...	...	...		350	
											78,920	
	Less—Charged to Industrial Undertakings	...	...	...	...	...	...	...	...		4,200	
												74,720
COMPRADORE'S OFFICE.												
Pay.	Compradore, Shroffs, etc.	...	...	...	...	...	...	...	...		8,180	
	Miscellaneous	...	...	...	...	...	...	...	...		850	
												9,030
	Total carried to Summary	...	...	...	...	...	...	...	...			89,750
STOCK AND STORES.												
	Furniture and Sundries	...	...	...	...	...	...	...	...			500
	Total carried to Summary	...	...	...	...	...	...	...	...			500

ORDINARY EXPENDITURE—continued.

SECRETARIAT.										Tls.	Tls.	Tls.
SECRETARY'S OFFICE.												
<i>Pay.</i>												
Foreigners.												
Secretary ...										13,800		
2 Assistant Secretaries ...										15,900		
" Acting Pay ...										4,660		
Chief Clerk ...										5,110		
5 Assistants ...										14,880		
2 Junior Clerks ...										2,030		
2 Stenographers ...										3,000		
Less—On War Service ...										59,380		
										20,160		
Temporary Bonus ...											39,220	
											3,930	
Chinese.												
Translator ...										2,400		
4 Assistants ...										2,830		
Writer ...										480		
Messengers, Coolies, etc. ...										2,440		
											8,150	
Superannuation...											50,400	
Fuel ...											3,360	
Light ...											450	
Insurance ...											500	
Telephone Service ...											20	
Printing, Stationery, Advertising, etc. ...										3,000		950
Printing Annual Report and Budget ...										5,500		
Printing Municipal Gazette ...										4,500		
Miscellaneous ...											13,000	
											800	
Less—Charged to Industrial Undertakings ...											69,480	
											2,400	
												67,080
<i>Pay.</i>												
REVENUE OFFICE.												
Foreigners.												
Superintendent of Revenue ...										7,500		
Assistant Superintendent of Revenue ...										6,000		
3 Assistants ...										8,700		
2 Junior Clerks ...										1,620		
Licensing Inspector ...										3,240		
Inspector ...										3,180		
18 Tax Collectors ...										38,070		
Less—On War Service ...										68,310		
										4,860		
Temporary Bonus ...											63,450	
Language Bonus ...											8,000	
											1,150	
Chinese.												
25 Assistants ...										12,000		
37 Shroffs ...										8,200		
24 Coolies for General Municipal Rate, Chinese										2,780		
Sampan Men, Office Boys, Caretaker, etc. ...										1,430		
											24,410	
Superannuation...											97,010	
Passages ...											6,200	
Uniform ...											2,400	
Medical Aid ...											1,680	
Locomotion ...											200	
Fuel ...											5,700	
Light ...											300	
Printing, Stationery, etc. ...											700	
Printing Municipal Bye-Laws and Regulations											5,000	
Telephone Service ...											1,950	
Insurance ...											150	
House Number and Licence Plates											20	
Miscellaneous ...											6,000	
											400	
Less—Receipt from sale of Licence Plates, etc. ...										6,000		127,710
" " Municipal Bye-Laws and Regulations ...										200		
											6,200	
Total carried to Summary ...												121,510
STOCK AND STORES.												188,590
Furniture and Sundries												1,000
Total carried to Summary ...												1,000

MUNICIPAL BUDGET 1918—continued.

ORDINARY EXPENDITURE—continued

	Tls.	Tls.	Tls.
GENERAL CHARGES.			
<i>Legal Retainer and Opinions</i>			1,000
<i>Audit Fee</i>			1,900
<i>Semaphore Service</i>			8,500
<i>Poor Taxes and Relief of Poor</i>			500
<i>Attached Employé</i>			3,810
<i>Direction of Chinese Studies</i>			3,950
<i>Reporter's Retainer</i>			600
<i>Pension of Accountant, resigned (£500)</i>			2,900
<i>Annuity to the widow of the late G. M. Hart</i>			200
<i>London Agents, allowance for additional office accommodation (£100)</i>			570
<i>Work Shelters, rent and sundry expenses</i>			2,000
<i>Grants in Aid.</i>			
Municipal Service Club		720	
Door of Hope		2,500	
" " (Special Grant)		1,500	
" " (Stray Children's Home)		8,000	
Refuge for Chinese Slave Children		2,000	
Shanghai Museum		1,000	
King's Daughters' Society, Charity Organisation		3,600	
Foreign Women's Home		3,000	
Shanghai Horticultural Society		300	
			22,620
<i>Rent of Municipal Properties and Leased Premises</i>			
Volunteer Corps.			
Kweichow Road	265		
Burkill Road	360		
		625	
Police Force.			
Stations.			
Bubbling Well	560		
Harbin Road... ..	1,680		
North Szechuen Road	1,320		
Yingshiangkong	100		
Quarters	22,750		
Reformatory	3,600		
		30,010	
Health Department.			
Quarters	1,150		
Sanatorium	300		
Latrines, etc.	15		
Public Works Department.			
Temporary Offices	4,200	1,465	
Public Recreation Ground	1,200		
Depôts	1,220		
Road Widening.			
Hankow, Honan and Kiangse Roads ex. Cad. Lots 165 and 166	2,500		
Miscellaneous	130		
		9,250	
Public School for Girls.			
Additional Premises		3,240	
Finance Department.			
Temporary Offices		5,900	
Council Room and Secretariat.			
Temporary Offices		6,020	
			56,510
Total carried to Summary			105,060
INTEREST, BROKERAGE, ETC.			
Municipal Loans	592,520		
Less—Charged to Electricity Department	376,420		
		216,100	
Trust Funds, etc.		117,500	
Less—Trust Funds Investments, etc.			333,600
			105,500
Total carried to Summary			228,100
REDEMPTION OF DEBENTURES.			
Proportionate amount set aside for Loan Redemption			345,500
Less—Charged to Electricity Department			86,100
Total carried to Summary			259,400

MUNICIPAL BUDGET 1918—continued.

EXTRAORDINARY INCOME.

	Tls.	Tls.
Estimated Surplus on Ordinary Budget		304,170
Miscellaneous		20,000
Loan 1917, debentures issued during period 1/1/18 to 9/3/18		300,100
Amount recommended to be raised by debentures, if necessary		1,800,000
	Tls.	
General Purposes	850,000	
Electricity Department	950,000	
	<u>1,800,000</u>	
Total carried to Summary		2,424,270

MUNICIPAL BUDGET 1918—continued.

EXTRAORDINARY EXPENDITURE.

	Tls.	Tls.	Tls.
<i>Deficit from 1917</i>			488,870
<i>Bundings.</i>			
Soochow Creek.			
Concrete Bunding, West Soochow Road, fronting Cad. Lot 725 W. ...		5,600	
Under Construction :—			
Yangtzepoo Creek.			
Concrete Bunding, Lay Road, south of Yangtzepoo Road		12,470	
		18,070	
Less—Contributions from frontagers		14,040	4,030
<i>Drainage.</i>			
Constructing the following new sewers :—			
Hart Road from Great Western to north of Annam Road		2,750	
Yangtzepoo Road from Sungpan to Kwanghsin Road		2,900	
Sungpan Road north of Yangtzepoo Road		1,080	
Connaught Road west of Medhurst Road		3,130	
Miscellaneous		1,000	
Less—Contributions from frontagers		10,860	9,785
		1,075	
<i>Land.</i>			
Fire Brigade.			
Station for Western District, nominal			
Police Force.			
Gaol			
Health Department.			
Isolation Hospital for Chinese			
Latrines			
Parks and Open Spaces.			233,200
Jessfield Park			
“ “ laying out and raising			
Hongkew Recreation Ground, laying out additional section			
Hungjao Nursery			
Educational Department.			
Thomas Hanbury School for Boys			
Nieh Chih Kuei Public School for Chinese			
Public School for Girls, Western District			
Surplus Land... ..			
<i>Carried forward</i>			735,885

MUNICIPAL BUDGET 1918—continued.

EXTRAORDINARY EXPENDITURE—continued.

	Tls.	Tls.	Tls.
<i>Brought forward</i>			735,885
<i>Buildings.</i>			
Central Offices, portion of cost		150,000	
Fire Brigade.			
Soochow Road Sub-station, additional quarters for Chinese	3,000		
Yangtzepoo Station, portion of cost	17,500		
Under Construction :—			
Hongkew Station, balance of cost	13,000	33,500	
Police Force.			
Gordon Road Station, alterations	5,100		
Gaol, Hospital, portion of cost	10,000		
" Steam generating boiler... ..	4,000		
Under Construction :—			
Gaol, 2 blocks of cells, balance of cost	50,000	69,100	
Health Department.			
Isolation Hospital, alterations to east block	6,600		
Isolation Hospital for Chinese Extension, portion of cost	10,000		
Branch Office for Eastern District	2,000		
Latrines	1,000		
Under Construction :—			
Isolation Hospital Extension, balance of cost	7,500		
Mokanshan Sanatorium : bungalows	9,000	36,100	
			288,700
<i>Roads.</i>			
Acquiring Land for new roads and extension of existing roads		100,000	
" " widening existing roads			
Making up and metalling the above		70,000	
<i>Loan to Electricity Department</i>			170,000
			1,250,000
Total carried to Summary			<u>2,441,585</u>

MUNICIPAL BUDGET 1918—continued.

SUMMARY.					Expenditure	Income
					Tls.	Tls.
Totals from preceding pages.						
Ordinary Income	...	...	...	...		3,895,780
Ordinary Expenditure:—						
Volunteer Corps	...	...	...	...	55,670	
Fire Brigade	...	...	...	...	87,170	
Police Force	...	...	...	...	1,032,960	
Health Department:—						
Office	...	...	...	...	57,770	
Hospitals	...	...	...	...	100,005	
Cemeteries	...	...	...	...	Cr. 435	
Swimming Bath	...	...	...	...	505	
Extra-Departmental	...	...	...	...	51,400	
					209,245	
Public Works Department:—						
General	...	...	...	...	232,130	
Buildings	...	...	...	...	92,620	
Creeks and River	...	...	...	...	68,100	
Drainage	...	...	...	...	30,960	
Roads	...	...	...	...	364,440	
Lighting	...	...	...	...	135,600	
Parks and Open Spaces	...	...	...	...	51,600	
					975,450	
Public Band	...	...	...	...	54,175	
Public Library	...	...	...	...	2,830	
Educational Department:—						
Public School for Boys	...	...	...	...	40,865	
Public Schools for Girls	...	...	...	...	37,540	
Thomas Hanbury School for Boys	...	...	...	...	31,620	
Girls	...	...	...	...	28,170	
Public School for Chinese	...	...	...	...	20,470	
Ellis Kadoorie Public School for Chinese	...	...	...	...	10,920	
Nieh Chih Kuei	...	...	...	...	13,750	
Polytechnic	...	...	...	...	5,855	
Grants-in-aid	...	...	...	...	8,000	
					196,990	
Finance Department	...	...	...	...	83,750	
Secretariat	...	...	...	...	188,590	
General Charges	...	...	...	...	105,060	
Interest, Brokerage, etc.	...	...	...	...	228,100	
Redemption of Debentures	...	...	...	...	259,400	
					3,479,390	
Stock and Stores:—						
Volunteer Corps	...	...	...	...	18,250	
Fire Brigade	...	...	...	...	8,700	
Police Force	...	...	...	...	84,340	
Health Department	...	...	...	...	38,350	
Public Works Department	...	...	...	...	271,800	
Public School for Boys	...	...	...	...	740	
Public Schools for Girls	...	...	...	...	800	
Thomas Hanbury School for Boys	...	...	...	...	2,000	
Girls	...	...	...	...	600	
Public School for Chinese	...	...	...	...	500	
Ellis Kadoorie Public School for Chinese	...	...	...	...	100	
Nieh Chih Kuei	...	...	...	...	440	
Polytechnic	...	...	...	...	600	
Finance Department	...	...	...	...	500	
Secretariat	...	...	...	...	1,000	
					428,720	
Less.—Value of Stores issued:—						
Volunteer Corps	...	...	...	...	13,500	
Police Force	...	...	...	...	68,000	
Public Works Department	...	...	...	...	235,000	
					316,500	
					112,220	
Surplus on Ordinary Budget, carried to Extraordinary Income	...	...	...	...		3,591,610
						304,170
					3,895,780	3,895,780
Extraordinary Income	...	...	...	...		2,424,270
Extraordinary Expenditure	...	...	...	...	2,444,585	
Deficit to be carried forward	...	...	...	...		20,315
					2,444,585	2,444,585